BUDGET SPEECH
1961-62

Sri C. Subramaniam

Finance Minister

25TH FEBRUARY 1961

सत्यमेव जयते

GOVERNMENT OF MADRAS

FINANCE DEPARTMENT

Speech of Sri C. Subramaniam, Finance Minister, presenting the Budget for 1961–62 *to the Madras Legislature on the* 25*th February* 1961.

Sir,

Introductory.

I rise to present the Budget Estimates for 1961–62. The Accounts for 1959–60 and the Revised Estimates for 1960–61 are also before the House. The Revised Estimates for 1959–60 anticipated a Revenue surplus of Rs 58 lakhs as against which the Accounts for that year show a surplus of Rs 53 lakhs. The Revised Estimates for the current year show a Revenue surplus of Rs 1,23 lakhs as against a deficit of Rs 34 lakhs anticipated in the Budget Estimates. This improvement has taken place despite an expenditure of Rs 4 crores in the current year on the implementation of the Pay Commission's recommendations for Government employees and teachers under all agencies. The main reason for this is the growth in the State's revenues as well as an increase of Rs 2,32 lakhs in our share of Income-Tax.

The Budget Estimates for 1961–62 show a Revenue deficit of Rs 2,85 lakhs. We have been receiving assistance from the Central Government since 1957 for increasing the emoluments of low-paid employees and have drawn a sum of Rs 2,34 lakhs on this account in the current year. The Union Government have decided to withdraw this assistance from 1961–62 onwards and turned down our request to continue the aid till the recommendations of the Third Finance Commission came into force. Besides, we have hitherto been drawing grants from the Centre for the revenue expenditure on the Second Plan Schemes. With the commencement of the Third Plan in 1961–62, these grants will no longer be available and it will be our sole responsibility to maintain the schemes completed in the Second Plan. These factors will account for the Revenue deficit of Rs 2,85 lakhs in the Budget for 1961–62. However, the Budget has been framed without any additional taxation proposals.

The Budget for 1961–62 is of special significance in more than one respect. It marks the beginning of the Third Plan. It is also the last Budget that will come up for the consideration of this House. We have had a fair measure of success in implementing the first two Plans. At this juncture, while launching the New Plan, it is appropriate that we should review the targets and achievements of the two earlier Plans so that the further programme of development and more particularly the size and structure of the Third Plan are in harmony with the progress already made.

Agricultural production.

2. The First Plan was a period of adverse seasonal conditions and consequent food deficits. By giving the highest priority to food production in the

First Plan, the imbalance in the food economy was corrected in some measure, but the problem had not been solved completely. Development of agriculture is indeed the foundation of our economic growth. Keeping this in mind, the Second Plan continued to lay stress on increased agricultural production and many new schemes were undertaken. The following figures will indicate the success achieved in this sphere:—

	1950–51.	1951–52.	1955–56.	1959–60.	1960–61.	1965–66 (target).
			(LAKHS TONS)			
Rice ..	19·50	20·95	29·55	34·06	35·50	
Millets ..	11·44	13·69	14·66	15·82	16·17	
Total—Food-grains.	30·94	34·64	44·21	49·88	51·67	67·17

[The statistics for 1959–60 represent the final forecast. The figures for 1960–61 are preliminary estimates.]

The figures record an increase of 16 lakhs tons in the production of rice in the last ten years from 19·5 lakhs tons in 1950–51 to 35·5 lakhs tons in the current year. Taking all foodgrains together, production has increased from 30·94 lakhs tons in 1950–51 to 51·67 lakhs tons in 1960–61. Our target is to increase food production to 67·17 lakhs tons by the end of the Third Plan. The experience in the first two Plans gives us a measure of confidence in this respect. We have now achieved self-sufficiency in a year of normal seasonal conditions but it is essential to be self-sufficient even in an adverse year. The target in the Second Plan was an additional food production of 12·79 lakhs tons as against which the achievement has been only about 7 or 8 lakhs tons. The main reason for the short-fall has been the shortage of chemical fertilisers. Keeping this in mind, we must make adequate arrangements for

chemical fertilisers if the target of 15·5 lakhs tons of increased production is to be realised in the Third Plan. Our agriculturists have shown skill and enthusiasm in the use of irrigation facilities and fertilisers. There can be no doubt that any substantial increase in food production will have to be based mainly on these two facilities. At the beginning of the First Plan, only 48,000 tons of ammonium sulphate were distributed in our State. In 1956–57, 1·2 lakhs tons were distributed and in 1960–61, 1·3 lakhs tons are expected to be used. The requirements of our ryots are however much more than this.

Chemical Fertilisers.

3. Sixty-thousand tons of super phosphate have been distributed in the current year as against 9,600 tons in 1953–54. The requirements of irrigated lands alone in the Third Plan will be 4 lakhs tons of ammonium sulphate and 2·5 lakhs tons of super phosphate and it must therefore be our endeavour to step up production to this level. The new Fertiliser Plant at Neyveli is expected to yield 1·5 lakhs tons of Urea equivalent to 3·5 lakhs tons of ammonium sulphate from the coming year. This may not entirely cover our requirements and therefore we welcome the efforts to set up another fertiliser factory in the private sector near Tuticorin.

Organic manures.

4. Besides using chemical fertilisers, the agriculturists in our State have also taken increasingly to natural and organic manures like compost and green manure. As against 111 tons of green manure seeds distributed at subsidized rates in 1953–54, 1,500 tons were distributed in the current year. By the end of the Third Plan, green manure should be made available for the entire cultivated area in the

State. The programme can succeed only by propaganda and demonstration of the actual benefits of green manure. There has also been good progress in the production and use of compost. As against 1·42 lakhs tons of urban compost produced in 1951–52, the production has increased to 4 lakhs tons in the current year. So far, compost manufacture has been largely confined to Municipalities and Major Panchayats. It is necessary that it is taken up in the smaller villages also. Let us hope that the new Panchayats and Panchayat Unions will engage themselves in this task with enthusiasm.

5. We have also achieved a measure of success in increasing agricultural production by the use of improved seeds. One hundred and thirty-six State Seed Farms have been set up so far as against the target of 210 to meet the full requirements of the State. The improved seeds produced in State Seed Farms have to be multiplied in the Secondary Seed Farms owned by ryots. There have been many difficulties in the implementation of this programme and a remedial measure has been formulated to improve the system. A progressive ryot will be selected in each village and he will be given a premium of Rs 2 for every maund of improved seed grown in his farm. This scheme, which will cost Rs 25 to 30 lakhs per year, will be supervised by the Panchayat Union. We may hope that enlightened agriculturists will now come forward to produce improved seeds in their fields. To ensure full results from the Scheme, every field should be sown with improved seeds and the strain should be renewed once in three years. Improved seeds.

The measures we have taken towards intensive cultivation, have not been without tangible results,

for we now hold the distinction of being the State with the highest yield per acre in India. I have given certain figures in this regard in my last Budget speech. The target in the Third Plan is to enhance the yield per acre to 1,890 lb. of cleaned rice by 1965–66, as against 1,332 lb. at present. The target for millets is 712 lb. per acre by the end of the Third Plan as against 672 lb. now. We can achieve these targets, when, as we hope, adequate quantities of fertilisers and improved seeds will be made available.

Industrial raw materials—Cotton.

6. The agricultural programme should not only aim at increased food production, but should also provide for the growing needs of our industries in raw materials. The prices of industrial raw materials have gone up steeply in recent times largely because of their shortage in this country. Rs 41 crores worth of cotton is being imported into our country annually. Obviously it is necessary to plan for a substantial increase in the production of cotton. A measure of success has been achieved in this direction in the last two Plans. The production of cotton in 1959–60 was 4·01 lakhs bales as against 2·26 lakhs bales in 1950–51. In the current year, the production is expected to reach 4·2 lakhs bales. The target for the Third Plan is 5·2 lakhs bales.

Oil-seeds.

7. Another industrial crop of great economic significance in the present context of shortage of foreign exchange, is oil-seeds as is evident from the fact that the export of vegetable oil, fetches Rs 15 crores of foreign exchange. The production of groundnut has been stepped up from 7·66 lakhs tons in 1950–51 to about 10 lakhs tons in the current year. The price of groundnut is subject to wide fluctuations and steps will have to be taken to stabilise the price

in order to ensure the fullest co-operation of the cultivator towards reaching the target of 12 lakhs tons set for the Third Plan.

8. Sugarcane is another important commercial crop in our State. The production in the current year will be 41 lakhs tons as against 32·5 lakhs tons in 1950–51. The target in the next Plan is an additional production of 10 lakhs tons. One lakh tons of sugar is now manufactured in the State. This has to be raised to 2 lakhs tons in the Third Plan to meet the anticipated increased consumption of sugar consequent on the growth in the general economy, and the additional production of 10 lakhs tons of cane will be used for this purpose. The yield per acre of sugarcane in Madras State is 25·9 tons per acre as against the All-India average of 14·7 tons per acre. Schemes for increasing the yield still further by the increased use of fertilisers and improved strains of cane, have been incorporated in the New Plan. **Sugarcane.**

9. Irrigation is the major enabling factor towards rapid agricultural development. The Lower Bhavani Project and the Cauvery Delta Drainage Scheme were completed in the First Plan and the following projects were also taken up:— **Irrigation.**

(1) Mettur Canal Scheme.
(2) Manimuthar.
(3) Araniyar.
(4) Sathanur-First stage.
(5) Krishnagiri.
(6) Amaravathi.
(7) Vaigai Reservoir Project.

Rs 12·34 crores were invested on them in the First Plan and 1·32 lakhs acres were brought under new irrigation.

During the Second Plan 11 major schemes were completed to bring 2·09 lakhs acres under new irrigation and to stabilise supplies on 1·24 lakhs acres. The area with an assured supply from river channels, is at present at 25·36 lakhs acres as against 21·95 lakhs acres at the beginning of the First Plan. The most important project to be implemented in the Third Plan is the Parambikulam-Aliyar Project which will irrigate 2·5 lakhs acres. In addition to this Project, we will be taking up a few medium-irrigation schemes and also effecting permanent improvements to the supply channels of the old irrigation systems. We have harnessed all the rivers in our State and the irrigation-potential so far created has been utilised in full. Further major development of irrigation can only be from the surplus of rivers flowing in neighbouring States. The planned progress of the country does call for an integrated approach on irrigation and power projects for the Southern Region as a whole, to utilise all the available water resources for the common benefit of the Region. The problem can be tackled effectively, only if we can bring to bear on it, a National outlook, in the wider interests of the country as a whole. All of us should strive to create the proper atmosphere for such a common approach.

Minor Irrigation.

10. To supplement major irrigation, sufficient stress has been placed on minor irrigation schemes. Rs 8 crores nearly have been spent in the last ten years towards the improvement of the 27,000 tanks scattered all over the State. We have planned to spend another Rs 8 crores for this purpose in the Third Plan. A new direction has recently been given to this programme by the decision to entrust the maintenance of tanks having an ayacut of less

than 200 acres to Panchayat Unions. Public co-operation is most essential to keep these small and scattered tanks in good repair. Direct maintenance by the Government has proved expensive and involved delay. We can hope that the Panchayat Unions will be able to secure widespread public co-operation and undertake the repairs in time and at less cost. Necessary grants to Panchayat Unions have been provided for this purpose.

Many of the tanks are shallow with vast extents of waterspread with consequent heavy loss through evaporation. An effective remedial measure is to deepen the tanks and to reduce the area of the waterspread. Members are aware of the scheme for desilting and reclamation, which has been devised for this purpose. In the Second Plan, 47 tanks were reclaimed at a total cost of Rs 36·44 lakhs. A sum of Rs 80 lakhs has been set apart for this scheme in the Third Plan and the provision for 1961–62 is Rs 15 lakhs.

Well irrigation is widespread in our State. The agricultural prosperity of Coimbatore district for instance, is largely based on well irrigation. These wells are being dug by ryots at enormous costs because they do yield an adequate return on the investment. It is necessary to expand well irrigation to the utmost in view of the fact that the scope for river irrigation in our State has been exhausted. With this view, the Government have sponsored a scheme of assistance for the sinking of new wells. In the Second Plan, 6,000 wells were assisted at a cost of Rs 90 lakhs. We have to consider carefully the extent to which this programme can be intensified in the Third Plan, keeping in mind the fact that the increasing use of electric motors on a large number of wells, does push down the water table of the locality.

Therefore, while expanding the programme we should undertake a scientific survey of the underground water resources.

The Government of India have dug a few exploratory tube wells in our State as an experimental measure. These wells have proved to be expensive in construction and maintenance and call for heavy subsidy. Importance has been given to the filter-point wells programme also and about 5,000 filter-point wells have also been sunk in the last ten years.

Soil conservation.

11. The extent under irrigation is only a small percentage of the cultivable area of the State. Dry crops are grown on 110 lakhs acres out of the total cultivated extent of 170 lakhs acres. Production on these dry lands can be stepped up only by means of soil conservation. This programme was started as an experimental measure in the Nanjanad area of the Nilgiris in 1952. Soil conservation measures were extended on about 17,000 acres in the First Plan and 1,33,000 acres in the Second Plan at a cost of Rs 87 lakhs. The allotment for the Third Plan is Rs 2,50 lakhs and the Budget provision for 1961–62 is Rs 44 lakhs. The success of the scheme will depend largely on the measure of participation by the public. The State of Maharashtra has achieved satisfactory results in this field. Our officers have been deputed to study their methods and we shall be adapting them to suit local conditions in the manner explained in the last Budget speech.

Animal Husbandry, Dairying and Milk-supply.

12. A prudent tiller of the soil, makes a careful study of the lands at his disposal and puts them to use discriminatingly to raise food crops, commercial crops or fruits according to the nature of the soil

and other facilities. He will also set apart suitable lands for the grazing of his cattle, because he appreciates the significant part played by his live-stock in his agricultural operations.

In the last decade many schemes have been implemented for the development of our cattle-wealth. Two hundred and thirty-four Key Villages have been set up. Thirty-nine Artificial Insemination Centres have been opened. Till now we have not paid much attention to the breeding of milch animals and we should attend to this aspect in future. An increase in the production of milk will raise the general standard of nutrition apart from providing a subsidiary income to agriculturists. So far Rs 48 lakhs has been distributed as loans to Co-operative Milk Societies for the purchase and maintenance of good quality cows. Pasteurization plants have been set up at three places. It is now proposed to set up a Dairy and Pasteurization Plant at Madurai at a cost of Rs 50 lakhs with aid expected from the UNICEF. This scheme is based on organizing many Co-operative Milk Societies in the adjoining villages. Another new scheme for the gathering of milk from rural areas around Erode and its transportation to Madras to meet the City's requirements is being formulated. Facilities to house 2,000 heads of cattle have just been completed in the Madhavaram Milk Colony. So far, 750 cattle have been brought there. Housing has been provided in the colony itself for the owners of the cattle. This will ensure good care of the cattle and the proper rearing of the calves which will in turn increase the yield of milk. Around the City, Co-operative Milk Societies are being organised in many villages of Chingleput district. A sum of Rs 1 lakh has been disbursed as

loans for the purchase of milch animals. Milk from the Madhavaram Colony and these Co-operative Milk Societies is gathered and distributed to the public through the Government Milk Factory at Teynampet. The programme for next year envisages the addition of another 2,000 cows to the Colony at Madhavaram. The main drawback of the cattle colonisation scheme is that it is expensive on over-heads. To ensure a cheap supply of milk, facilities must be provided in rural areas for the rearing of milch cows and for the gathering and distribution of milk. A beginning has been made on such schemes which should be expanded further. It is proposed to set up a body of experts to advise and to co-ordinate the various schemes for Dairying and Milk Supply in an integrated way.

Forests.

13. Forests play an important part in the economy of a country. Our forest wealth which was adequate before the re-organisation of States, has been considerably reduced on the formation of the Andhra, Kerala and Karnataka States. As against the target of 33 per cent of the land-area under forests for All-India, we have only 17 per cent now. An intensive programme was taken up in the Second Plan to increase the area under forests and a sum of Rs 1,48 lakhs, was spent on forest development in that Plan as against Rs 24 lakhs in the First Plan.

In the Second Plan, 47,000 acres were covered with cashew, 89,000 acres with fuel trees, 20,000 acres with wattle, 3,000 acres with blue-gum, 10,000 acres with teak, 3,000 acres with casuarina and 300 acres with bamboo. Besides, 11,000 acres were developed as pasturage. We must take steps to consolidate and extend these plantations in the Third Plan and the targets are 10,000 acres under cashew,

5,500 acres under teak, 20,000 acres under wattle, 3,000 acres under casuarina, 5,000 acres under softwood and 5,000 acres under bamboo. It is necessary to increase the area under bamboo as it is an important raw material for the paper industry. The scheme for planting trees along the fringes of lakes and canals will be extended over another 4,000 acres. The rubber plantation scheme in Kanyakumari district is making progress and 400 more acres would be covered in 1961–62. The provision for all these schemes in 1961–62 is Rs 35 lakhs.

A major scheme of the New Plan is the generation of farm forests in villages. A beginning has been made on 2,300 acres in six Development Blocks in the districts of Chingleput, South Arcot and North Arcot. Farm forests are expected to cover 2,60,000 acres in the Third Plan for which a provision of Rs 75 lakhs has been made. The Forest Department will be in charge of the farm forests in the initial stages and the management will be handed over later to local Panchayats which are vitally concerned in their preservation and maintenance.

Fisheries.

14. Fisheries go an appreciable way in covering the food deficit and fish is also a nutritious subsidiary food for the common people. Several schemes have been taken up for the development of fisheries in the last decade at a cost of Rs 35 lakhs in the First Plan and Rs 75 lakhs in the Second Plan. A large provision of Rs 2,22 lakhs has been made in the Third Plan to accelerate this programme. One of the major schemes in Fisheries programme is the supply of mechanised boats. One hundred and thirty-two pablo boats have been constructed and distributed

in the current Plan. The scheme will be expanded in the Third Plan and a provision of Rs 9 lakhs has been made for 40 pablo boats in 1961–62. Cold storage facilities have been provided in four places in the Second Plan in order to preserve the fresh fish. Cold storage plants will be set up at Madurai and Pulicat in the coming year. Nylon nets are becoming increasingly popular with our fishermen. Thirty-five thousand pounds of nylon nets were distributed in the Second Plan at a cost of Rs 6 lakhs. To reduce the indebtedness of fishermen, Rs 26 lakhs have been advanced to them as loans through co-operative societies. Another major scheme of development in the construction of road links from fishing hamlets to the nearest main road in order to improve the marketing facilities available to fishermen. Fishing in the sea on a large scale will be possible only by setting up a unit for deep-sea fishing and a scheme based on the Tuticorin Port is being formulated in the private Sector.

Community Development.

15. Members are aware of the awakening and development that is taking place in rural areas as a result of the Community Development Project. We have not hesitated to modify this programme from time to time in the light of experience gained. The programme has now covered 254 Blocks and the remaining 120 Blocks will be covered by 2nd October 1963. A sum of Rs 76 lakhs was spent on this programme in the First Plan, and Rs 13·78 crores in the Second Plan. The cost in the Third Plan is expected to be Rs 20·36 crores and the Budget provision in 1961–62 is Rs 3·66 crores.

The formation of Panchayat Unions represents a revolutionary change in community development. Seventy-five Panchayat Unions have already been constituted and are now functioning. Another 132

Panchayat Unions will be set up on Tamil New Year's Day and the entire State will be covered on 2nd October 1961. The administration of the Community Development Programme will be entrusted to the 75 Panchayat Unions already in existence, from 1st April 1961. Agricultural production will hereafter be the primary responsibility of Panchayat Unions. In order to discharge this new responsibility, steps are being taken to provide them with funds and necessary facilities. Elementary education will hereafter be the responsibility of Panchayat Unions. Adequate provisions have been made for the purpose in the Budget for 1961–62. Panchayat Unions can achieve satisfactory progress in Community Development work only if they raise local resources to supplement the Government grants. Panchayats have collected Rs 30 lakhs in the current year as House-tax and a matching grant of the same amount has been provided for them.

Local Development Works.

16. The Local Development Works programme will be implemented on this basis of matching grants, for which a provision of Rs 1,40 lakhs has been made in the Budget for 1961–62. The Centre will be giving a grant of Rs 5 crores on the Local Development Works programme during the Third Plan. Taking into account the State Government's share, the outlay may go up to nearly Rs 7 crores, and if we add to it, the value of the contribution from the people, works costing nearly Rs 11 crores may be implemented. Let us hope that the public, the Panchayats and the Panchayat Unions will co-operate in the proper utilisation of this large sum.

Co-operation.

17. The backwardness of our agriculture is mainly due to the fact that it is carried on in small

and fragmented holdings by farmers with little or no capital. Our farmers borrow from the private money-lender to meet the cost of cultivation and permanent improvements to the land and the major portion of their earnings goes back to the money-lender as interest. Such a state of affairs has been progressively depressing the standard of life of our agriculturists. The Co-operative movement was started even in British days to find a remedy to this problem. However, the movement did not become widespread during that period. After the advent of independence, the popular Governments which were vitally interested in agriculture, laid stress on the movement in the Five-Year Plans. The last two Plans have seen a large-scale expansion of the Co-operative movement. To-day every village in our State and 54 per cent of the rural population have been brought within the movement. In 1953–54, a sum of Rs 4 crores was distributed to ryots as credit while in the current year, the amount has reached Rs 25 crores. In spite of this, co-operative credit does not meet the entire needs of all our agriculturists. The programme in the Third Plan is to distribute Rs 45 crores as credit and to cover 85 per cent of the rural population.

Hon'ble Members are aware of the Full-Finance Scheme which aims at supplying the entire credit needs of the agriculturists in selected Blocks. This scheme is now in force in 43 Development Blocks. When the Full-Finance Scheme extends to the entire State, the village money-lender will be eliminated and the co-operative movement will meet the entire credit needs of agriculturists. The main bottleneck in implementing the Full-Finance Scheme is the supply of credit to small farmers and cultivating tenants who cannot furnish

sufficient security. There is a widespread feeling that it will be difficult to collect the loans disbursed to agriculturists of this category. The Government have, therefore, decided to share any loss that might result by the extension of credit facilities to these persons. Even so we find that the small farmers are not being served to the extent necessary. A Committee is now going into this question and let us hope that the Committee will suggest practical measures for reducing these difficulties.

The Co-operative movement can attain stature and play a full part in the development of agriculture, only if the Societies expand their functions to meet not only the credit requirements but also the multi-purpose needs of agriculturists. Co-operative societies should supply ryots with fertilisers, insecticides and pesticides, implements and other agricultural requirements and also help them to market their produce at fair prices. The credit societies should therefore transform themselves into multi-purpose service societies. The ryot can earn a fair return for his labour, only if the Co-operative movement takes up the wholesale trade of agricultural produces. A programme of large-scale expansion of Marketing and Consumer Societies is being organised now. Thirty Primary Marketing Societies were formed and 243 godowns constructed in the Second Plan. The target for the Third Plan is to construct 1,000 godowns. Provision has been made for the construction of 210 godowns in 1961–62. Rs 6 lakhs have also been provided for participation in the share capital of the Madras Warehousing Corporation. The organisation of Co-operative Farming will also be a continuing programme in the coming year.

Major industries.

18. Seventy-five per cent of our people are to-day dependent on agriculture for their livelihood. This heavy dependence on agriculture and the rapid growth of population, have led to a situation where the per-capita income is tending to go down in spite of the increase in the total national income. In advanced countries only a small percentage of the population is occupied in agriculture while the majority is engaged in industries. We cannot provide for full employment or make an impression on the problem of poverty, without effecting this shift in the economy of our country. That is the reason why we are giving considerable prominence to industrial development in our Plans.

The industrial development of Madras State depends, in a large measure, on the success of the Neyveli Lignite Project. The integrated project conceived at a total cost of Rs 86 crores has four main constituents: (1) the Mining programme to win 35 lakhs tons of lignite ; (2) the Power programme to generate 2·5 lakhs kilo watts of power ; (3) the Fertilizer plant which will manufacture 1·5 lakhs tons of urea ; and (4) the Briquetting plant to manufacture 3·8 lakhs tons of carbonised briquettes. The mining programme involves the removal of 270 lakhs cubic yards of over-burden and the lignite seam is expected to be exposed by September 1961. An agreement has been concluded in November 1957 with the U.S.S.R. for the Thermal Power Plant and the construction work is proceeding ahead. The first generator is expected to function from September 1961 and the entire block of power will be released by December 1962. The fertiliser plant will be set up with Italian and West German collaboration. Preliminary arrangements have been taken up and the machinery and

equipments have started arriving. Tenders are under consideration for the establishment of the briquetting plant. A clay-washing unit is also being set up with the object of supplying good quality clay available in the lignite mine, for the use of ceramic factories.

A total extent of 26,750 acres of land have to be acquired for the Neyveli Project out of which 11,454 acres have been acquired so far. Measures have been taken for the rehabilitation of families vacated from the project area. A housing programme for the workers engaged in the project has been taken up with a target of 5,507 houses by the end of March this year. The housing colonies have been laid out with all modern amenities such as water-supply, electric lighting, schools, dispensaries, shops and playgrounds. Co-operative consumers' stores have also been opened to supply the daily needs of the residents at fair prices.

19. The lack of a steel plant has been a major handicap to the industrial development of the State. There are vast reserves of iron ore in Salem district but the iron content of the ore is low. Hitherto, coal was also not available for smelting the iron ore but this deficiency can be met by the lignite from Neyveli. Investigations are going on to use the Neyveli lignite to smelt the Salem iron ore to produce steel. Experts from East Germany have prepared a preliminary report on this possibility and we have also received an offer of help from West Germany. Though the first indications are favourable, the German experts have stressed the need for a detailed study in a pilot plant. This can be done only after the lignite is mined in adequate quantities. We need have no apprehensions about the Iron and Steel Steel plant.

Plant in our State if the present investigations establish its economic feasibility. The Union Government have set up a Technical Committee to study the scheme and have also set apart Rs 25 crores for the purpose as an initial provision in the Third Plan. We have therefore to be patient till these investigations are completed and the experts are in a position to express a firm view on the economic feasibility of the steel project. It will obviously be rash to take up a project involving enormous investment without completing the necessary investigations. A Special Officer has been appointed solely to attend to these investigations for which a provision of Rs 75 lakhs has been made in the Third Plan of the State. Arrangements are in progress to mine the required quantity of iron ore in Salem and to transport it to Jamshedpur and Germany for carrying out the tests. The Budget provision in 1961–62 for this expenditure is Rs 7·5 lakhs.

The successful completion of the Integrated Neyveli Project will not only confer many benefits to Madras and neighbouring States in the form of power, fertilizers, fuel, etc., but also enable the setting up of many by-industries. The expansion programme in the Third Plan is to increase the power production to 4 lakhs kilo watts and to mine the necessary quantity of lignite for the purpose.

Cauvery oil. 20. Foreign Experts have been investigating the oil deposits known to exist in the Cauvery Delta. In 1956 Russian Experts who inspected the area found indications of oil and advised the Union Government to take up a detailed investigation. The State Government made representations to the Central Government on the matter and investigations were taken up by the Geological Survey of India in

1957–58. So far, 4,000 square miles have been prospected and the work is being continued. The Oil and Natural Gas Commission has deputed experts and the necessary equipment to conduct the Seismic Survey along with the Geological Survey. These investigations have confirmed the existence of oil in the Cauvery Delta, and let us hope that the venture will prove successful in the near future.

Other Central Projects.

21. Good progress has been made towards the establishment of a Raw Film Factory in the Nilgiris district. A site has been selected near Ootacamund and construction work has begun. It is expected that raw film will be produced in this factory by the end of 1962. Another important factory to be set up by the Central Government is the Surgical Instruments Factory at Guindy. Arrangements are also in progress for setting up a Teleprinter Factory in Madras. The scheme for a proto-type factory is also in progress.

In the Third Plan, two heavy electrical plants will be set up in India and one of them will be in the South. A Technical Committee has inspected many sites for the purpose and there is a chance of the plant being located in Madras State.

The Integral Coach Factory at Perambur went into production on 2nd October 1955. The original target was 350 coaches per year at the end of the first five years but this was reached after three years. At present 600 coaches are constructed annually and by the end of this year the production is expected to go up to 700 coaches. The investment on this factory is of the order of Rs 7·5 crores. An auxiliary project for the furnishing of railway coaches with

an investment of Rs 3·7 crores is likely to be completed in the next two or three years when it will meet the needs of all the coaches built at Perambur.

Private sector.

22. The private sector has been playing an active role in the industrial development of the State and many medium and large industries were started on the initiative of local industrialists.

The first factories to be established in Madras State were textile mills. In 1950, there were 71 mills with 17 lakhs spindles and 7,400 looms. By 1956, 31 more mills had been set up increasing the spindles to 21·7 lakhs and looms to 8,016. In the five years following 1956 the spindleage has gone up to 30·6 lakhs representing 22 per cent of the total spindleage of 135·4 lakhs in the whole of India. But the number of power looms has not kept pace with this expansion since most of the yarn in the State is utilized in handlooms. Along with the development of handlooms, it is also necessary to increase the number of power looms in textile mills and we have requested the Centre to license 10,000 power looms in this State in the Third Plan.

A significant advance in the manufacture of textiles is the increasing use of synthetic fibres. An advantage in the manufacture of synthetic fibres is that wood pulp, which is a raw material, can be grown even on forest wastes unlike cotton which would need fertile lands. Besides, the outturn of synthetic fibre based on wood grown over an extent of land, is many more times than that of yarn from cotton grown over a like extent. It is very important that in a country like ours faced with a shortage of cotton, we should increasingly resort to these new techniques. With this in view, the South Indian

Viscose Corporation is installing a Rayon Factory near Coimbatore which is expected to commence production in April-May this year. This is one of the important new industries set up in this State.

The efforts to start an aluminium plant at Salem have taken shape. The Company formed for the purpose has raised the necessary share capital from the public and has secured the collaboration of the well known Italian Firm of Montecatini. The factory will go into production in the next two years.

Seshasayees are putting up a paper factory with a capacity of 20,000 tons of paper per year. Six licences have been issued to other manufacturers for setting up small paper units. A proposal for the manufacture of paper pulp with bagasse from sugar factories is under examination. Another by-product in sugar manufacture is molasses which is the raw material for power alcohol. A licence has been given for a factory to produce 20 lakhs gallons of power alcohol.

There is the need in our State for many fertiliser factories. As I mentioned earlier, urea will be manufactured in Neyveli. Parry & Co. are setting up a plant for the manufacture of ammonium phosphate. Kothari & Sons have come forward to establish a large fertiliser plant near Tuticorin. When all these factories go into production, our requirements of chemical fertilisers will be met in full. The production of phosphatic manure in our State is now at 1,10,000 tons. Licences have been issued for three factories at Madras, Cuddalore and Coimbatore for the production of 1,40,000 tons of

super phosphate. When completed, all these factories will yield 2·5 lakhs tons of super phosphate. Our requirements at the end of the Third Plan will however be 3,20,000 tons of phosphate manures and to meet the gap one more factory will be necessary. A factory to produce 60,000 tons of super phosphate at Thanjavur is expected to be licensed soon.

Members are aware of the Caustic Soda Factory set up by Dhrangadra Chemical Works with a capacity of 30,000 tons. It is proposed to increase its capacity to 60,000 tons. A proposal for utilising chlorine which is a by-product of this plant is also under consideration. If this materialises, it will be possible to manufacture 10,000 tons of P.V.C. which is the raw material for the manufacture of plastics. A calcium carbide factory with a capacity of 10,000 tons per annum has gone into production at Thalayuthu. Caustic soda, bleaching powder and liquid chlorine are being manufactured at Mettur.

Significant progress has been made in Engineering industries. A number of factories have come up in the neighbourhood of Madras City and in Coimbatore district and are contributing appreciably to the industrial development of the State.

During the Second Plan period, 908 Industrial Companies were registered in our State. Of these, 66 were public limited companies and 842 were private limited companies. The authorised share capital of the public limited companies is Rs 53·36 crores out of which the paid-up capital is Rs 4·53 crores. The authorised share capital of the 842 private limited companies is Rs 106·68 crores and the paid-up capital is Rs 42·64 crores. These figures reflect in some measure, the industrial growth of the

State. The rate of growth will have to be on an accelerated scale if there is to be a significant increase in the standard of life of the people and therefore we should continue our efforts right through the Third Plan.

Technical Education.

23. The spread of technical knowledge and industrial skill among the people, is the basis for rapid industrial development. Towards this end we have undertaken several schemes for technical education and craftsmen's training in the last decade. As a result, the number of admissions in Engineering Colleges now stands at 1,157 and in Polytechnics at 2,910. Even at this rate of training, we will not be able to meet the full requirements in technical personnel for the Third and Fourth Five-Year Plans. It is therefore necessary to increase the number of Engineering Colleges and Polytechnics in the Third Plan. A Regional Engineering College by the Central Government and another Engineering College in the private sector will be established in the Third Plan. The number of admissions in each of the existing Colleges will be stepped up from 120 to 180. The Regional Engineering College will take in 250 students annually. Thus by the end of the Third Plan, the intake in all the Engineering Colleges will go up to 1,767. The admissions in Polytechnics will be increased by 700. A sum of Rs 6·5 crores has been provided for Technical Education in the Third Plan as against Rs 3·37 crores provided in the Second Plan. The Indian Institute of Technology at Guindy set up by the Government of India for post-graduate Engineering Education is coming up rapidly. The West German Government is aiding this institution and many German Professors are now serving there. This

Institute offers excellent opportunities for an Engineer in post-graduate training.

Industrialisation needs not only engineering degree holders and diploma holders but also craftsmen such as fitters and welders. With a view to training more such craftsmen, a number of training institutions have been set up in our State. The annual admissions into these institutions at the beginning of the First Plan stood at 768 and was increased by 2,400 during the Second Plan. Over and above this, 305 seats are available under the apprenticeship training scheme and 400 seats in the two centres for evening classes for employees. On various craftsmen training schemes, a total sum of Rs 97 lakhs has been spent during the Second Plan as against the Third Plan provision of Rs 3·25 crores. It has been programmed to establish 14 more industrial training schools with 3,500 additional seats. Two more centres for evening classes will also be opened.

Rapid industrialisation can be ensured only if the industrial organisations themselves provide for the necessary apprentice training. The Integral Coach Factory at Perambur gives such training. It is necessary that big institutions in the private sector also should come forward to offer such facilities. Government will render all assistance towards formulating suitable schemes.

Small Industries.

24. The industrial growth of a nation does not depend on large industries alone. Increased employment and the diffusion of technical skill among the people are possible only by the wide dispersal of small-scale industries. Good progress has been made in our State in this direction. As against the small

amount of Rs 12 lakhs spent in the First Plan, Rs 3,96 lakhs was spent on small-scale industries and Rs 1,54 lakhs on Industrial Estates in the Second Plan. Two Industrial Estates at Guindy and Virudhunagar and five Industrial Colonies at Marthandam, Pettai, Madurai, Tiruchirappalli and Erode have been established. Another Industrial Colony will be opened shortly at Thanjavur. A colony is under construction at Katpadi and preliminary works have been taken up for a Colony at Salem. The Industrial Estate at Guindy has developed in a very satisfactory way and houses 128 units, providing employment to 3,000 persons and manufacturing goods to the value of Rs 2 crores per annum. Experts from different parts of the world who have visited the Estate have made appreciative comments on its organisation and working.

Rs 11·2 crores have been provided in the Third Plan for Small Industries and Industrial Estates. The programme in 1961–62 includes a heat-treatment shop, tool room and common lease shop at Coimbatore, a tool room at Salem, a common lease shop at Madurai, a saw-mill in Kargudi and five rural workshops at Karur, Namakkal, Tiruppur, Nagercoil and Villupuram. A structural workshop will be established at Madras. Raw material depots will be opened at Coimbatore and Madurai. Training Centres for tool designs, pressure die-casting, manufacture of ceramic wares, etc., will be opened at Madurai, Coimbatore and Nagercoil. A loan provision of Rs 30 lakhs has been made for small industries to be started under the State Aid to

Industries Act. The programme for the construction of Industrial Estates and Colonies in the Third Plan will be as follows:—

	[RS LAKHS]
(1) Works shed in places with a population of less than 5,000	5·80
(2) Establishment of two Industrial Estates in places with a population of less than 20,000 (one at Theni and the other will be a Ceramic Wares Industrial Estate at Vridhachalam)	25·00
(3) Establishment of five Industrial Estates in places with a population of less than 50,000 (Pudukkottai, Karaikudi, Arkonam, Krishnagiri and Koilpatti)	31·00
(4) Establishment of four Industrial Estates in places with a population of about a lakh (Devakottai, Dindigul, Kumbakonam and Rajapalayam)	41·00
(5) Establishment of an Industrial Estate in Ambattur and two estates for leather industries at Perambur	95·00
(6) Preparation of sites for the establishment of Service Centres for Industries at Guindy and Ambattur	45·00
(7) Expansion of the Industrial Estates and Colonies started during the Second Plan period	50·00
(8) Subsidy towards payment of rents in Industrial Estates and Colonies	7·20
Total ..	3,00·00

The State's Third Plan thus provides for an outlay of Rs 3 crores in the public sector on Industrial Estates and Colonies. In addition, Government will encourage private industrialists who come forward to establish Industrial Estates by providing 80 per cent of the investment as a loan on a low rate of interest. Based on the small industries so far set

up, we may hope that private industrialists will come forward to start many more small-scale units and bring about a wide dispersal of industries in the country side.

25. Power is the major enabling factor in the growth of large, medium and small-scale industries. Sustained efforts have been taken for the development of power in the earlier Plans. The installed capacity which was 1,56,000 kilo watts at the beginning of the First Plan increased to 2,56,000 kilo watts at the end of that Plan. Many new schemes such as the expansion of the Thermal Plant at Madras, the Periyar Project, Kundah Project, etc., were taken up in the Second Plan and the capacity was stepped up to 5,71,000 kilo watts. The target in the Third Plan is to increase the generation to 10,41,000 kilo watts. In addition to this, 4,00,000 kilo watts will be available from Thermal Power Plant at Neyveli, resulting in a total generation of 14,41,000 kilo watts. Even with all the new generation of the last few years, the supply will not be adequate to meet in full the demand which is expected to reach 15,40,000 kilo watts in 1966. The installed capacity of 14,41,000 kilo watts at the end of the Third Plan is largely in hydro-electric stations which are heavily subject to the seasonal factor, being dependent on irrigation discharges. The dependable firm capacity all through the year is only 9,62,000 kilo watts. We will not therefore be self-sufficient in power in spite of the large outlay of Rs 79 crores in the Second Plan and Rs 100 crores in the Third Plan. We have therefore to allocate the use of the available power according to certain planned priorities between the different sectors of consumption such as industries, agriculture, domestic uses, etc. The power shortage can also be mitigated to some extent by linking our grid with those of the neighbouring States of Kerala Power.

and Mysore to constitute a common Zonal Power Grid. We have exhausted the hydro-electric resources in the State and further development will have to be based on the hydro-electric potential of the Western Ghats with the co-operation of the neighbouring States. To meet the growing future demands on a permanent basis more than one atomic power station will be essential and must be planned for.

The average per capita consumption of electricity has now risen to 60 units from 12 units in 1951. The gross revenue from the sale of power has risen from Rs 3 crores in 1951 to Rs 15 crores now and is expected to reach Rs 40 crores in 1966. These figures illustrate the measure of advance so far achieved in the development of Power.

We have been making heartening progress in rural electrification. As against 1,813 villages electrified at the beginning of the First Plan, 10,000 villages have been covered by now. In the Third Plan, we may expect every village to have electricity. Electric pump sets have increased from 14,000 in 1951 to 1,16,000 now.

Provision has been made in the Budget for 1961–62 for taking up the Mettur Tunnel Scheme and the final stage of the Kundah Project. Russian aid has been promised for the Mettur Tunnel Scheme and the Canadian Government have offered to continue their aid for the final stage of the Kundah Project. The Madras State Electricity Board will incur an outlay of Rs 15 crores on Power in 1961–62 towards which the State Government will advance a loan of Rs 7·84 crores. The balance of the outlay can be found by the Electricity Board from its own resources. The target for rural

electrification is 1,600 villages in 1961–62. A provision of Rs 25 lakhs has also been made for loans to private licensees for rural electrification.

Hon'ble Members are aware of the Committee appointed to go into the question of minimum guarantee on agricultural loads. The Committee has recommended that the minimum guarantee should be reduced from Rs 50 at present to Rs 35 in backward areas and to Rs 45 in other areas. The Government have accepted the recommendation and issued necessary orders.

It should be realised that power is supplied to agriculturists at a tariff lower than the actual cost of supply at that point, for the reason that it is used by small agriculturists for lifting water for cultivation. The receipts of the Electricity Board can increase only when the power is put to greater use in rural areas on small industries. Larger receipts will enable the Electricity Board to extend the benefits quickly to all villages. It is therefore essential to create an atmosphere where a large number of small industries will come up in the countryside. One other aspect of the matter is that power plants in future will be mainly thermal as we have come to the end of our hydro-electric resources. It may therefore be necessary to increase the tariff to meet the higher cost of thermal generation. However, if we organise our industries efficiently to earn a substantial return, there may not be any difficulty in collecting the higher rates.

Communications.

26. A good system of communications is indispensable for industrial development.

No new railway lines have been laid in this State during the last two Plans. No one can dispute that development of new railway lines must keep pace with the pattern of industrial expansion. In particular, if the industrial potential of Neyveli is to be efficiently and fully utilised, new railway lines should be laid to link Neyveli with various parts of the country. With this in view, we have been stressing the need for the Salem-Bangalore line and a few others to link up the places of commercial importance in this State. I am confident that our representations are likely to meet with a measure of success in the near future. Members would have noted with satisfaction the reference to this subject made by the Union Minister for Railways in his speech presenting the Railway Budget to the Parliament.

Roads are also as important as railway lines for the expansion of industries. In fact, in certain countries, the development of roads has been given even a higher priority than railway lines. In the last 10 years, we have improved our roads very substantially and it is now widely recognised that we are appreciably ahead of other States in this respect.

In the beginning of the First Plan we had 14,400 miles of State highways and 6,800 miles of rural roads. During the First Plan 1,643 miles were metalled and 2,850 miles of new roads laid. During the Second Plan 2,860 miles of roads have been improved and 1,830 miles of new roads laid. Thus, in the last ten years 4,680 miles of roads have been newly laid or improved. Besides, we have also incurred substantial, outlays on the maintenance of roads.

The following figures show the road mileage at the end of the Second Plan under various categories:—

Serial number.	Type of surface.	Mileage of roads as on 1950–51 —Beginning of First Plan.	Mileage of roads as on 1955–56 —Beginning of Second Plan.	Mileage of roads as on 1960–61 —End of Second Plan.
(1)	(2)	(3)	(4)	(5)
1	Cement Concrete Roads ..	188	276	319
2	Black-topped Roads ..	926	4,616	7,111
3	Metalled Roads	12,953	10,818	11,143
4	Unmetalled Roads ..	7,131	8,335	7,305
	Total ..	21,198	24,045	25,878

These figures show a particularly large rise in the mileage under black-topped roads.

One of the important changes in policy in regard to the maintenance of roads is the decision to take over all major district roads from the District Boards. In the last five years 3,840 miles of roads have been taken over by the Government and some more mileage is proposed to be taken over by the Government. The increased maintenance liability of the Government on the roads so far taken over is roughly Rs 1,02 lakhs a year.

Thirty-one major bridges and 104 minor bridges have been built on State Highways. Twelve major bridges and 120 minor bridges have so far been built on roads under the District Boards. The annual outlay on roads is now of the order of Rs 5 crores

of which about Rs 3 crores is on maintenance. A sum of Rs 11 crores has been set apart for the construction of roads in the Third Plan.

Satisfactory financial arrangements have been made for the maintenance of the roads which will vest in the new Panchayat Unions and some of these roads will be taken over by the Government. A Local Roads Grant will be given to each Panchayat Union at the rate of 40 nP. per capita. The total grants to be given under this head will amount to about Rs 1,20 lakhs a year.

Satisfactory provision has been made in the Third Plan to continue these programmes of road development. One hundred and eighty-two miles of new roads will be laid, 197 miles of old roads improved, 46 bridges and culverts constructed at a cost of Rs 1·88 crores in 1961–62. In preparing our Road development programme we should pay special attention to the transport requirements of the newly developed industrial areas of the State. In this view we should lay special stress on the roads in the Salem-Neyveli area, Coimbatore-Mettur area and in the hinterland of Tuticorin.

The congestion in traffic is growing fast in Madras City. We should therefore plan ahead for the probable traffic requirements of the Madras City for the next 15 to 20 years. A provision of Rs 1·5 crores has been made in the Third Plan for the Madras City roads of which Rs 58 lakhs will be spent in 1961–62.

Ports.

27. Large-scale industrial development necessitates the import of machinery, raw materials and many other accessory goods from foreign countries. Further, unless we export commodities from our

country, we will not be able to earn foreign exchange to finance the imports of essential goods from other countries. Thus, in a growing economy, both exports and imports will be continuously going up. To meet the requirements of this expanding foreign trade, our port facilities have also to be expanded. With this object in view, a number of schemes have been taken up for the improvement of the Madras Harbour.

This harbour was constructed and opened for traffic in 1896. It remained in that condition till 1911, when certain new facilities were provided. No further developments took place for the next 40 years up to 1951. The total quantity of goods handled by the harbour in 1930 was 10 lakhs tons. The traffic in the harbour was considerably affected during the Second World War, but it shot up to 20 lakhs tons by the close of the war. The facilities available in the port were naturally not sufficient to cope with this increased traffic and a planned expansion became imperative. But this was found difficult within the limited extent of land available with the Port Trust. This Government fully realised the importance of the expansion of this Port and therefore handed over to the Port Trust 86 acres of foreshore land to the South of the harbour in 1952 and another 77 acres later on.

One of the major features of the expansion of the trade in the Madras Harbour in recent years, is the increasing exports of iron ore. As against 20,000 tons of iron ore exported from this harbour in 1950, the total tonnage exported this year is 7·8 lakhs tons and this figure may rise up to 30 to 40 lakhs tons in the next 5 to 10 years. The harbour is being further expanded to meet the increased demands of this trade.

A number of schemes are now under execution towards providing better docking facilities for ships and transit facilities for passengers. Other amenities such as office buildings, hospitals and houses for the employees of the Port Trust are also being built. A sum of Rs 16 crores in all has been spent on these various programmes during the current Plan.

Although the Madras Harbour is being expanded fast, that port alone would not meet the growing needs of our industry and trade. The concentration of a large number of major industries in the vicinity of Madras has created many new problems. It is therefore imperative that we should develop another major harbour on our coastline. It is in this view that the Government of Madras have been pressing for the immediate conversion of Tuticorin into a deep-sea port. All of you will therefore welcome the decision of the Government of India to include the Development of the Tuticorin Port in the Third Plan and let us hope that all possible steps will be taken towards the speedy implementation of this scheme.

It is equally necessary that minor ports like Cuddalore and Nagapattinam should be expanded and reasonable provisions have been made in the Plan for this purpose.

The Sethusamudram Project is closely interlinked with the Tuticorin Port. To-day, ships proceeding to the West Coast of India from the East Coast have to circumnavigate the island of Ceylon. When the Sethusamudram Scheme is implemented these ships can save time and distance by crossing through a channel cut across the reef barriers between Ceylon and India. A Committee under the Chairmanship of Sir A. Ramaswami Mudaliar had

gone into this question and submitted a Report. Further investigations are now going on to gather some more data required to finalise the scheme. Capt. Davies, the navigational expert, who was a member of the Ramaswami Mudaliar Committee, had visited this country recently and had advised these investigations to gather all the relevant data. The scheme for the Development of the Tuticorin Port will yield the full measure of return only when the connected Sethusamudram Project is also implemented. The latter scheme will increase manifold the efficiency of our coastal shipping and therefore we should take every possible step for the early implementation of this Scheme.

28. In our country, as in others, new towns have grown around the locations of new industries. This pressure of urbanisation arising from industrial development has impinged heavily on housing, leading to a pressing demand for more houses. Efforts in this sphere have necessarily to be made mainly by private individuals. Government can assist only at strategic points. In this State also, it has been our happy experience that private effort has come forward freely to build houses in large numbers. Government have taken up schemes particularly to benefit low-paid employees in Government service. Police housing is an important scheme of this kind. So far 3,500 houses have been built for policemen at a cost of Rs 2·5 crores. To meet the requirement of the whole police force, we would need to spend a further sum of Rs 3 to 4 crores. We have programmed to provide housing facilities for 80 per cent of the police force by the end of 1965–66. While the provision for this expenditure is outside the Plan, a number of housing schemes have been taken up within the Plan. As Housing.

against a sum of Rs 1,28 lakhs spent in the First Plan, the expenditure in the Second Plan has been Rs 5,35 lakhs out of which the Low-Income Group Housing Scheme has absorbed Rs 2,83 lakhs and Slum Clearance Scheme Rs 1,35 lakhs. Rs 1,06 lakhs has been spent on Subsidised Industrial Housing Scheme.

We are faced at present by the problem of increasing prices of house-sites. In many places prices have increased almost to double their original level in the last 3 or 4 years. The prohibitive cost of urban house-sites has led to the deferment of many housing schemes. If we should avoid this situation in future we should acquire lands in urban suburbs straightaway in bulk, develop them and arrange to sell them at fair prices. The Third Plan accords high priority to this programme of bulk acquisition for which we have set apart Rs 1 crore in the Budget Estimate for 1961–62. Under this scheme, 3,000 acres of land would be acquired in the neighbourhood of Madras. Recently we have also passed an Act placing the State Housing Board on a statutory basis so as to co-ordinate and speed up the implementation of housing schemes.

Village Industries—Hand loom.

29. The importance of village industries should not be minimised while concentrating on our Plans for large industries. In the present context of large-scale unemployment, village and cottage industries which are not capital-intensive, have a special part to play. The most important of them is the handloom industry. There are now 4·6 lakhs hand-looms in the State providing employment to 16 lakhs persons. The State and the Central Governments have implemented several measures to protect this industry and to foster its development. The

co-operative movement has been extended to the handloom sector and so far 2·1 lakhs handlooms have been brought within the co-operative fold.

Rebate schemes on the sale of handloom cloth, have received high priority in the last two Plans. A sum of Rs 4 crores has been spent on rebates during the current Plan. Concessions by themselves may not ensure a lasting solution to the problem of handlooms. The industry is in need of thorough overhaul if it should survive.

The problems of the handloom is the rapid mechanisation of competing industries. While handlooms will continue to have a monopoly in respect of certain special varieties of cloth, competition from the textile mills is likely to be severe in regard to other coarser varieties.

Just at present we cannot hope to absorb the handloom weavers in other jobs. We would be in a position to draw them off into alternate jobs only as the newly established industries grow up. As the younger members of the handloom weavers' families get educated and acquire technical and other skills, they may not like to continue in the traditional avocation. It is in this context that we have to consider the question of the conversion of handlooms to powerlooms. If we make a beginning by installing powerlooms in the various handloom weavers' co-operative societies, we may be able to meet the popular criticism that powerlooms will throw the handloom weavers out of employment. Besides, under such a scheme the increased returns arising from powerlooms, will be shared by all members of the co-operative society.

We should not let old prejudices and preconceived ideas to stand in the way of the progress of the handloom weaver. In the meanwhile we will continue the various measures intended to raise the standard of living of the handloom weavers. So far 1,600 houses have been built at a cost of Rs 54·59 lakhs under the scheme for housing handloom weavers. The schemes will have to be expanded in the Third Plan.

One of the major handicaps of the handloom weaver is the difficulty to secure yarn at fair prices. It was to mitigate this difficulty that co-operative spinning mills are being established. The co-operative mill at Pettai has commenced production. The Ramanathapuram and Tiruchendur mills are under construction and will commence production in April or May this year. Efforts are being made to establish a few more mills in other important places.

Khadi. 30. Schemes for the production of khadi, play an important part in increasing employment opportunities in rural areas. We will have to continue these schemes till such time as the new industrial growth on the contrary, is able to absorb the idle man-power. As against 26,500 persons engaged in spinning khadi at the beginning of the First Plan, the number has increased to 1,81,000 by the end of the Second Plan. We have programmed to increase this number by yet another 45,000 during the Third Plan. Similarly the number of weavers engaged on khadi cloth has increased from 716 at the beginning of the First Plan to 9,000 at the end of the Second Plan and is expected to rise to 15,000 by the end of the Third Plan. Apart from the schemes run by the Government, the Tamilnad Sarva Seva Sangh have also undertaken this programme. Lakhs of people have

secured employment through these agencies and the production of khadi cloth is increasing correspondingly. The annual production has gone up from 66 lakhs yards worth Rs 1·64 crores to 80 lakhs yards worth Rs 2 crores. The replacement of the traditional Charkha by the Ambar Charka marks an important change in this programme. Efforts are being taken to improve the marketing organisation to cope with the increased production.

31. The standard of life of the people will improve only if the economy advances, which in turn depends on the quality of the people themselves. Therefore in a country's development educational expansion which improves the level of thinking of the people, plays a very important part. The faster the pace of educational development, the quicker and more permanent will be the advances registered in other spheres of development. **Education.**

One of the main problems facing our country is the illiteracy of the large masses of people. As a result of our efforts in the last ten years we have about 26,700 elementary schools to-day as against 16,000 elementary schools at the beginning of the decade. At the beginning of the First Plan only 45 per cent of the children in the age-group 6—11 were going to school. To-day this figure has gone up to 75 per cent. In the First Plan we spent Rs 5 crores on educational expansion as against which the outlay in the Second Plan has gone up to Rs 12 crores. The provision proposed in the Third Plan is Rs 25·4 crores.

By the end of this year, every habitation with a population of more than 300 will have an elementary school. We have introduced many other measures to induce children, especially of the poor, to attend

schools. The midday meals scheme has done great service in this respect. About 10 lakhs of children representing a third of the strength of all schools, have been covered by this scheme. The expenditure on the midday meals scheme which stood at Rs 7 lakhs in 1957–58 has risen in the current year to Rs 84 lakhs and is estimated to go up to Rs 1,35 lakhs in 1961–62. Sixty per cent of the gross expenditure on this scheme is met by the State Government, the balance being contributed by local people. It is inevitable that defects will be noticed in the implementation of a large scheme of this nature. A Committee of Members of the Legislature is now going into the working of this scheme and I expect that their report will be available to the Government very soon.

Another important development in educational programme has been the organisation of the School Improvement Conferences by which our people have contributed Rs 3·79 crores in cash and kind so far for the improvement of schools. This movement is gaining strength and we may hope that more improvements costing many more crores of rupees can be effected in the various schools of the State.

The standard of instruction in schools depends mainly on the qualifications of teachers. Because of the low salaries which our teachers have been receiving in the past, there was a measure of discontent amongst them. To improve the living conditions of teachers we have recently extended a number of benefits to them. During the Second Plan period, apart from the benefits such as the pension scheme and free education to the children of teachers, we have also given to each elementary

school teacher an increase in emoluments of Rs 17 per mensem. Over and above these, the recommendations of the Pay Commission on the salary of teachers have also been accepted in full. The annual expenditure on education has gone up by nearly Rs 4 crores as a result of these concessions. We may note with satisfaction that our teachers have accepted these efforts with a large measure of satisfaction and are rendering excellent service.

The most important task on education in the Third Plan is the scheme of compulsory primary education under which all children within the age group 6—11 are proposed to be brought to school. A beginning has been made on the scheme even in the current year by which one-third of the children in the age group 6—7 are being enrolled in schools. The scheme will be extended to the entire State by 1962–63.

By the end of the Third Plan, we hope to bring to school all the children in the age group 6—11. It has been estimated that to reach this target, we would have to admit within the next five years, 14 lakhs more pupils in the schools which would in turn require 31,000 new classes and teachers. This scheme would require a total outlay of Rs 11·5 crores and the provision for 1961–62 is Rs 70 lakhs. Corresponding to this large number of new admissions, we have also to expand the midday meals programme. The responsibility for elementary education has been entrusted to the Panchayat Unions for which adequate funds will be provided. Including land revenue assignment amounting to Rs 2·5 crores, a total sum of Rs 4·9 crores will be provided in 1961–62 as grants for Panchayat Unions for this purpose.

A number of schemes have also been undertaken to improve the quality of the secondary education. During the Second Plan, 164 multi-purpose schools were started. During the Third Plan, 150 bifurcated courses will be started at a cost of Rs 52 lakhs. The scheme for conversion of secondary schools to higher secondary schools will also be implemented.

Members are aware that the Pay Commission has recommended liberal scales of pay for teachers in Government colleges. Government have decided to give their share under the scheme of the University Grants Commission to extend these scales to teachers in aided colleges at a cost of Rs 15 lakhs annually. Orders have also been passed sanctioning the non-recurring grant to aided colleges for changing over to the 3-year degree course.

Good progress has been made by the Committee for the preparation of text-books for the change over to the Tamil Medium and a number of text-books have been prepared in Tamil.

The local libraries constituted under the Madras Public Libraries Act have done remarkably well, Central libraries have been constituted in every district. As against a single branch library in 1953–54, there are now 473 branch libraries and 606 delivery stations for supplying books to villages with a population of 1,000 or more. The number of readers has also increased from 25 lakhs in 1953–54 to 1,67 lakhs in 1959–60.

The total expenditure on Education in 1956–57 was Rs 12 crores as against which expenditure in 1961–62 will be of the order of Rs 20 crores.

32. Several schemes have been implemented in the sphere of medical relief and public health. Rs 4·27 crores have been spent on rural water-supply schemes and Rs 7·4 crores on Urban Water-supply Schemes in the last two Plans. 14,000 wells have been sunk in the villages and 340 composite schemes implemented in the last two Plans. It is proposed to sink 2,500 wells and implement 216 composite schemes in the Third Plan. The National Water-supply and Sanitation Scheme is also being implemented under which 417 villages have been provided with water-supply facilities and 396 villages with sanitation. At the beginning of the First Plan, 38 towns with a population of 28·78 lakhs had the benefit of protected water-supply. By the end of the Second Plan, this was extended to 64 towns with a population of 33 lakhs. At the end of the Third Plan, another 43 Municipalities and Panchayats will get this benefit. We would have also to take special steps to increase the supplies available to cities and towns in industrial areas. As against a sum of Rs 6 crores spent in the Second Plan on urban water-supply and drainage schemes, a total sum of Rs 7·5 crores is expected to be spent in the Third Plan. **Medical and Public Health.**

The water-supply and drainage problem in the City of Madras calls for special attention. A sum of Rs 1 crore has been spent on this during the Second Plan. Greater efforts will be needed to improve the water-supply of the Madras City. Out of a sum of Rs 5 crores set apart for this scheme in the Third Plan, Rs 90 lakhs will be spent in 1961–62.

It is very important to plan in advance for the water-supply of towns like Madras, Coimbatore and Madurai. Adequate water-supply facilities and

public health measures should be taken in these cities which are growing industrial centres. Besides, it is necessary to see that further industrial concentration in these cities does not create fresh problems, for which we must formulate even now an integrated scheme of further development.

A number of schemes to eradicate malaria, filaria and smallpox are under implementation. If diseases are to be eliminated, healthy sanitary practices should be developed amongst our people. In particular, we must endeavour to spread the use of latrines even in villages. With a view to inculcate this habit, even at a young age, a scheme costing Rs 2 lakhs has been included in the Budget.

As against 12,000 hospital beds in the beginning of the First Plan, today there are 21,500 beds. In order to increase the number of doctors, two new Medical Colleges were started in the Second Plan. Even though the number of medical graduates is increasing, the problem of attracting them to rural areas continues. Many of incentives have been offered to doctors for this purpose. In the primary health centres in Community Development Blocks, we are building quarters for doctors. A sum of Rs 1,81 lakhs has been allotted on medical schemes in 1961–62. New additions to a number of hospitals will be made in the next year. An 80 bed ward will be built in Salem District Headquarters Hospital. Thirty-two more beds will be added at Polur, Bhavani and Pramakkudi. New buildings for 100 beds will be started at Pollachi and Chidambaram. Construction of 32 bed wards will commence at the following places: Villupuram, Gingee, Sriperumbudur, Dharapuram, Kuzhithurai, Padmanabhapuram,

Attur, Mannargudi, Mayuram, Tiruvarur, Thiruthuraipoondi, Pattukottai, Sirkali, Shencottah, Ambasamudram, Tenkasi, Sankarankoil, Koilpatti and Tiruttani. These building schemes will cost Rs 35 lakhs.

We have been devoting special attention to Family-Planning with particular reference to the surgical method. Our propaganda amongst the people has resulted in an increasing awareness of its benefits and evoked some enthusiasm about this programme. A total sum of Rs 1,61 lakhs is being set apart in the Third Plan for this programme.

The Employees' State Insurance Scheme has also been expanded during the last ten years. A sum of Rs 26·85 lakhs has been set apart for this scheme in the next year. Two lakhs of labourers are covered by this scheme.

The Non-Gazetted Government Officers have been made eligible for free medical facilities. But there are complaints that they have not been able to secure these facilities properly. In order to remove this grievance, we are posting special doctors to attend exclusively on Government servants alone. This scheme will come into force in the Madras General Hospital, Stanley Hospital and Kasturba Hospital, in 1961–62. Besides, it is proposed to set up two special dispensaries for this purpose at Madurai and Thanjavur. All the District Headquarters will be covered in the scheme in a phased programme.

Backward Classes.

33. We have been implementing a number of schemes for the welfare of Backward Classes. The welfare programmes under the different departments benefit the community as a whole. Special assistance is being rendered to Backward Classes

through measures organised by the Harijan Welfare Department. Emphasis has been laid in this programme on educational schemes such as scholarships and boarding grants to students belonging to the Backward Classes. More than 30,000 Harijan students are now in receipt of scholarships and boarding grants. The expenditure on Harijan welfare which stood at Rs 69 lakhs in 1950–51 for the composite Madras State has increased to Rs 3,55 lakhs in the current year for the smaller residuary State. The scholarships schemes implemented in the Second Plan will become part of the committed expenditure in the Third Plan. The New Schemes for the Third Plan will be over and above this expenditure. On this basis, it is proposed to spend Rs 84 lakhs over and above the committed expenditure of Rs 2,22 lakhs, making a total of Rs 3,06 lakhs in 1961–62. If additional funds are needed in the course of the year, they will also be set apart. The Housing Scheme for Harijans will also continue to be implemented.

Accounts, 1959–60.

34. The Revised Estimates for 1959–60 showed a Revenue of Rs 78,30 lakhs and an expenditure of Rs 77,72 lakhs leaving a surplus of Rs 58 lakhs. The Accounts of 1959–60 are now available and they show that the receipts stood at Rs 81,11 lakhs and the expenditure at Rs 80,58 lakhs, leaving a surplus of Rs 53 lakhs. There has been an increase in revenue receipts of the order of Rs 2,81 lakhs offset by an increase in expenditure of Rs 2,86 lakhs. The increase in revenue has occurred mainly under "State Taxes", viz., General Sales Tax (Rs 1,09 lakhs), Land Revenue (Rs 50 lakhs), Motor Vehicles Tax (Rs 31 lakhs) and Stamps (Rs 75 lakhs).

The increase in expenditure has been mainly on the development side such as Education (Rs 36 lakhs), Medical (Rs 32 lakhs), Harijan Uplift (Rs 53 lakhs) and Civil Works (Rs 60 lakhs).

The cash balance on hand at the end of the year was Rs 4,42 lakhs.

Revised Estimates, 1960-61.

35. In my last Budget Speech, I had estimated that the expenditure in the current year would be Rs 81,21 lakhs and the receipts would be Rs 80,87 lakhs leaving a small revenue deficit of Rs 34 lakhs. The Budget Estimates however did not make any provision for the implementation of the recommendations of the Madras Pay Commission. The Revised Estimates provide for an expenditure of Rs 3,70 lakhs on this account for nine months in the current year. Apart from the increase on account of the Pay Commission, there has been an increase of Rs 3,15 lakhs in expenditure mainly on the development side. The Revised Estimates for the current year places the expenditure on revenue account at Rs 88,06 lakhs and the receipts at Rs 89,29 lakhs, leaving a surplus of Rs 1,23 lakhs. The State's share of Central Taxes is now expected to be Rs 2,45 lakhs more than the Budget Estimates. The main increase has been in our share of Income-Tax, which has gone up by Rs 2,32 lakhs. Under State Taxes, there has been an improvement of Rs 3,80 lakhs mainly under General Sales Tax (Rs 1,58 lakhs), Central Sales Tax (Rs 40 lakhs), Motor Spirits Tax (Rs 20 lakhs), Motor Vehicles Tax (Rs 62 lakhs), Stamps (Rs 55 lakhs) and Land Revenue (Rs 21 lakhs). Under Non-Tax Revenue, a more intensive utilisation of forest produce has yielded an increase in revenue of Rs 54 lakhs.

As mentioned earlier, the increase in expenditure, apart from the increase due to the Pay Commission, has been on the Development side showing a higher tempo of expenditure on Plan schemes. The main items are: Education (Rs 76 lakhs), Medical (Rs 38 lakhs), Public Health (Rs 68 lakhs), Community Development (Rs 41 lakhs), Harijan Welfare (Rs 50 lakhs) and Civil Works (Rs 99 lakhs). We may also mention that the Revised Estimates provide for a House-Tax Matching Grant of Rs 30 lakhs to Village Panchayats and a local Roads Grant of Rs 11 lakhs for Panchayat Unions. Only a token provision had been made for these purposes in the Budget Estimates for the current year. The provision made for Local Development works in the current year is Rs 63 lakhs.

Capital Expenditure, 1960–61.

36. We had estimated the Capital Expenditure in 1960–61 at Rs 10,86 lakhs. It is now expected that the expenditure would be Rs 15,49 lakhs. The increase is of the order of Rs 4,63 lakhs. The main increase have occurred on account of Rs 1,22 lakhs for the Parambikulam Project ; Rs 34 lakhs for Zamindari Abolition and Rs 65 lakhs for share capital participation in the Madras State Co-operative and Central Banks. We are providing Rs 22 lakhs more for Road Transport for the cost of 157 buses as against 82 buses provided for in the original Budget. An additional amount of Rs 1 crore has also been provided to meet arrear payments to the Government of India in respect of the Fertilizer Scheme. The details of Capital Expenditure are given in the Budget Memorandum. The most important item of Capital Expenditure in the State is on Power Development which is exhibited in the accounts of the State Electricity Board. As against

the Budget provision of Rs 12 crores, we will be spending Rs 14 crores on Power in the current year. We have set apart Rs 8,88 lakhs for loans to the State Electricity Board in the Revised Estimates.

We were able to raise a comparatively large open-market loan of Rs 12 crores from the public. The Ways and Means position for the current year has been satisfactory and it is expected that the cash balance at the end of the year would be Rs 5,12 lakhs as against Rs 4,50 lakhs anticipated originally.

Budget Estimates, 1961–62.

37. The Budget for 1961–62 estimates the receipts under Revenue Account at Rs 87,50 lakhs and expenditure on Revenue Account at Rs 90,35 lakhs. This has resulted in a Revenue Deficit of Rs 2,85 lakhs. On the receipts side, there is a short-fall of Rs 1,79 lakhs when compared with the Revised Estimates for 1960–61. This is the net result of an improvement in State and Central Taxes of Rs 71 lakhs offset by a worsening in Non-Tax Revenue of Rs 2,50 lakhs. The short-fall is entirely explained by the withdrawal of the Central assistance for increasing the emoluments of low-paid employees on which account we will be realising Rs 2,34 lakhs in the current year.

The expenditure on Revenue Account in 1961–62 is expected to be Rs 90,35 lakhs which is Rs 2,29 lakhs more than in the current year. The main increases will be on Education (Rs 3,19 lakhs) ; Agriculture (Rs 87 lakhs) ; Co-operation (Rs 28 lakhs) ; Grants-in-aid (Rs 63 lakhs) ; Local Development Works (Rs 77 lakhs) and Community Development (Rs 35 lakhs). The variations between the Revised Estimates, 1960–61, and the Budget Estimates, 1961–62, have been discussed in detail in the Budget Memorandum.

Capital expenditure, 1961–62.

38. The Capital Expenditure for the year 1961–62 is fixed at Rs 18,10 lakhs made up of Rs 81 lakhs on compensation to Zamindars ; Rs 3,77 lakhs for the Parambikulam Project ; Rs 43 lakhs for other irrigation projects ; Rs 1,46 lakhs for Special Minor Irrigation, Rs 15 lakhs for the Desilting-*cum*-Reclamation Scheme ; Rs 3,01 lakhs on Industrial development ; Rs 1,00 lakhs on bulk acquisition of lands ; Rs 4,73 lakhs for capital outlay on Roads and Buildings ; Rs 1,01 lakhs for Road Transport ; Rs 30 lakhs for the Rural Water-supply Scheme and the balance on miscellaneous items. The outlay on Power in 1961–62 has now been fixed at Rs 15,41 lakhs. We will be providing a loan of Rs 7,84 lakhs to the Electricity Board which will meet the balance of expenditure from its own resources.

Loans and Advances.

39. Rs 21,36 lakhs have been set apart for loans and advances during 1961–62, out of which Rs 7,84 lakhs will be given as loans to the Electricity Board, Rs 1,17 lakhs to the Madras City Corporation, Rs 1,06 lakhs to the City Improvement Trust, Rs 1,33 lakhs for Water-supply and Drainage Schemes to the various local bodies, Rs 2,87 lakhs to cultivators, Rs 51 lakhs as State-Aid to Industries, Rs 31 lakhs for Handloom Weavers' Co-operative Societies, Rs 1,00 lakhs for Housing and Rs 84 lakhs for Community Development.

Resources.

40. We have to pay Rs 3,82 lakhs on account of the open market loans maturing in 1961–62. The share of this Government will be Rs 1,97 lakhs. The balance is to be borne by the States of Andhra Pradesh, Kerala and Mysore. It is proposed to raise an open market loan of Rs 10 crores for

meeting the Capital Expenditure of next year. The Ways and Means Budget has been balanced and closing cash balance of Rs 78 lakhs is anticipated at the end of 1961–62.

41. The facility of compounding in Sales Tax is now available for small dealers with a turn over of not more than Rs 25,000 a year. The Minister in Charge of Commercial Taxes had assured the House that the extension of this concession would be examined on the basis of the experience in working the new Sales Tax Act. Government have now decided to extend this concession to dealers with a total turn over of not more than Rs 50,000 a year based on the current year's assessments. **Concessions.**

42. Free education is now available to all children up to the V Standard and to poor children up to the VIII Standard. Beyond VIII Standard, Education is free only to children belonging to Scheduled Castes and other Backward Classes. It has been emphasised for some time that educational concessions should be on the basis of economic backwardness rather than on the basis of communal status. Government have accepted this view and have decided to extend free education up to the XI Standard to all children irrespective of caste or creed. A provision of Rs 58 lakhs has been provided in the Budget for this purpose. This decision is the first step towards a society where no deserving student will be denied education on account of poverty. **Free Education.**

43. I shall now explain the provisions made in the Budget towards the outlay on the Plan. The size of the State's Second Plan had been originally fixed at Rs 1,52 crores. The actual outlay during the first four years amounted to Rs 1,42·76 crores. The **Five-Year Plans.**

revised estimates for the current year, as now fixed, provide for an expenditure of Rs 43·43 crores taking the total outlay to Rs 1,86·19 crores.

		(RS CRORES)
1956–57	.. ..	28·67
1957–58	.. ..	30·25
1958–59	.. ..	34·61
1959–60 (Accounts)	.. ..	39·89+ 9·34 (Kundah equipment).
Total	..	1,42·76
1960–61 (Revised Estimates)	..	43·43
Grand Total	..	1,86·19

We have thus exceeded the original target by nearly Rs 34 crores and therefore we may well claim a substantial measure of success in the implementation of the Second Plan. We were able to do so because of our special exertions in raising additional resources and in organising the necessary executive machinery in advance of time. As against an additional taxation of Rs 13 crores expected of this State in the Second Plan, we had actually raised Rs 20 crores and we had also done better on open market borrowings. Let us hope that we could profit by this experience and do better in implementing the Third Plan.

The size of the Third Plan of the State has been fixed at Rs 2,91 crores. According to the general advice of the Planning Commission, 16 per cent of the total provision, i.e., about Rs 46 crores, should be the target for the first year. We have however budgetted for an outlay of Rs 48 crores in order to meet all the essential requirements of the various development departments. The recurring expenditure for maintaining the new schemes introduced in the Second Plan, will amount to about Rs 7 crores. If this committed expenditure is also reckoned, the total expenditure on new development schemes will amount to Rs 55 crores and this outlay compares very favourably with the sum of Rs 43·43 crores provided for as Plan expenditure in the current year.

44. The successful execution of the Third Plan calls for a streneous effort in mobilising all resources of the country. The State's Third Plan alone is of the magnitude of Rs 2,91 crores but that, we should note, is only a part of the National Plan. The State's effort will be supplemented by the investments of the Central Government within the State. Besides, the private sector will also invest on many industries in the coming Plan period. These investments will increase production, raise the standard of life of the people and eliminate the poverty and inequality around us to-day. We are a nation of poor people with large numbers living on the margin of subsistence and incapable of saving any part of their income. Their standard of life can be raised only with large scale investment through new capital formation in successive Plans. But the poverty of the people rules out savings and therefore investment, and the absence of sufficient investment Conclusion.

results in continued poverty. Mobilisation of savings is the one and only way to break through this grim vicious circle. The foundation for the well being of future generations can be laid only if we practice thrift and invest our savings entirely in the various development projects. In a democratic country, taxation has its limits and it is easier for the Government to borrow from the people to implement their Plans. This method of tapping resources also affords an excellent opportunity to the people to directly participate in the National reconstruction. Besides, it secures to them a good return on their investment. There has been a good response so far for the open market loans floated by the Madras Government. It is not enough if a few financiers support these loans. Innumerable small investors must be given an opportunity to take part in this great venture and it is with this aim that we are now concentrating on Small Savings and the allied scheme of Prize Bonds.

If we succeed in this effort, it is possible not only to fulfil the targets in the next Plan but also to go beyond them. I conclude my speech, Sir, with the confidence that all sections of this House, to whatever party they may belong, will co-operate in this great common endeavour.

MADRAS,
25*th February* 1961.

C. SUBRAMANIAM,
Finance Minister.

APPENDICES

TO THE

BUDGET SPEECH

1961-62

25th February 1961

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Note.—The details of Expenditure on Plan Schemes of the Madras State under the Second Five-Year Plan are published separately in the Supplement on the Second Five-Year Plan.

APPENDIX I.

[The figures up to the end of 1953–4 include those relating to the Andhra areas. The figures from 1956–7 take into account the Reorganization of States from the 1st November 1956.]

REVENUE AND EXPENDITURE ON REVENUE ACCOUNT OF THE MADRAS STATE.

Major heads.	1938–9.	1953–4.	1954–5.	1955–6.	1956–7.	1957–8.	1958–9.	1959–60	1960–61. Budget Estimate.	1960–61. Revised Estimate.	Budget Estimate, 1961–2.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.
A. REVENUE.											
Union Excise Duties.	..	2,25·44	1,66·49	1,82·56	1,75·14	3,14·43	5,88·53	6,02·51	6,10·00	6,10·00	‡
Taxes on income other than Corporation tax—Share of Income-tax.	22·50	7,50·82	5,67·38	5,59·54	5,23·85	6,16·07	6,36·72	6,66·29	4,37·00	7,31·00	7,31·00
Agricultural Income-tax.	..	..	..	1,41·94	1,12·51	1,29·67	86·55	1,53·49	1,50·00	1,37·00	1,37·00
Estate Duty ..	..	..	5·28	17·57	22·35	28·41	25·18	30·26	24·00	30·00	30·00
Taxes on Railway fares.	..	..	..	..	..	31·07	70·37	84·43	82·00	89·00	89·00
Land Revenue—Gross receipts including portion due to irrigation.	7,00·78	6,68·67	5,95·41	5,97·34	6,19·86	6,91·52	6,67·34	7,04·62	6,61·35	6,81·62	6,46·64
Excise	3,72·23	30·86	27·22	28·62	30·29	27·97	22·63	22·94	23·39	23·43	23·69
Stamps	1,73·37	3,69·23	2,62·47	3,59·56	3,62·76	3,50·00	3,91·81	4,77·80	4,27·63	4,83·22	4,83·22
Forest §	45·63	1,22·14	1,31·89	1,77·08	1,75·17	1,29·19	1,30·63	1,69·24	1,35·84	1,90·14	1,79·11
Registration	32·70	90·60	60·46	69·66	78·85	79·42	86·26	1,04·51	87·03	1,02·02	1,02·02
Taxes on Vehicles ..	81·22	4,17·04	3,59·89	4,00·87	4,37·73	4,54·29	4,99·58	5,49·51	5,30·02	5,91·94	5,93·79
Sales tax	..	..	..	..	..	..	14,76·11	16,74·53	15,85·51	18,02·97	18,62·40
Other taxes and duties—											
General sales tax ..	..	11,99·26	8,68·98	9,82·07	11,16·77	11,78·05	†	†	†	†	†
Other items ..	3·19	1,22·08	2,49·35	2,66·40	2,75·61	3,84·67	2,07·50	2,22·20	2,12·60	2,35·33	2,40·33
Total ..	3·19	13,21·34	11,18·33	12,48·47	13,92·38	15,62·72	2,07·50	2,22·20	2,12·60	2,35·33	2,40.33
Irrigation—Direct receipts * ..	6·31	10·64	6·59	7·22	9·14	9·57	10·62	11·08	8·95	11·50	11·50
Deduct—Working expenses.	— 38·39	— 1,38·01	— 44·32	— 45·46	— 57·72	— 59·46	— 64·57	— 78·64	— 62·21	— 76·84	— 72·42
Net receipts ..	— 32·08	— 1,27·37	— 37·73	— 38·24	— 48·58	— 49·89	— 53·95	— 67·56	— 53·26	— 65·34	— 60·92

* Excludes land revenue. † Shown under "Sales Tax". ‡ A sum of Rs 6,25 lakhs has been shown under "States' share of Union Excise Duties".

§ The subvention from the Union Government for Development Schemes relating to this Department has been shown under "Grants-in-aid from the Union Government".

Revenue and Expenditure on Revenue Account of the Madras State—*cont.*

A. REVENUE—*cont.*

Major heads. (1)	1938–9. (2) RS LAKHS.	1953–4. (3) RS LAKHS.	1954–5. (4) RS LAKHS.	1955–6. (5) RS LAKHS.	1956–7. (6) RS LAKHS.	1957–8. (7) RS LAKHS.	1958–9. (8) RS LAKHS.	1959–60. (9) RS LAKHS.	1960–61. Budget Estimate. (10) RS LAKHS.	1960–61. Revised Estimate. (11) RS LAKHS.	Budget Estimate, 1961–2. (12) RS LAKHS.
Irrigation—											
Direct receipts * ..	1·99	2·78	2·23	2·42	2·08	1·89	2,26	2·35	1·37	1·77	1·77
Interest	19·73	49·43	45·75	52·76	59·68	3,78·97	4,94·96	6,07·48	6,87·42	7,05·47	7,42·05
Administration of Justice.	15·39	55·42	43·60	57·60	62·05	67·63	56·07	52·39	52·94	52·26	52·25
Jails	5·98	25·00	27·32	22·02	26·20	26·32	24·08	30·99	30·49	31·75	30·76
Police	5·66	20·64	22·18	21·41	21·81	19·14	22·58	23·82	20·56	27·70	24·35
Ports and Pilotage ..	44·67	..	..	..	..	..	..	..	..	..	..
Education	8·35	46·09	57·81	73·40	93·71	1,34·64	1,79·59	2,02·65	2,92·67	3,01·02	35·69
Medical	10·25	26·71	22·13	27·35	31·14	61·04	73·90	83·84	80·69	1,14·85	61·61
Public Health ..	2·59	5·64	6·05	22·13	7·17	19·40	68·05	1,18·50	1,14·60	1,68·42	12·01
Agriculture	3·12	1,27·90	88·14	80·37	1,04·21	1,01·71	1,62·16	2,33·09	1,96·69	2,10·16	1,94·60
Animal Husbandry ..	1·02	7·65	8·69	7·93	13·08	19·23	18·27	23·18	36·87	38·24	9·95
Co-operation ..	4·18	20·85	43·35	64·53	1,27·82	1,06·47	72·43	1,25·62	1,09·50	1,94·72	22·33
Industries	18·85	1,05·48	77·13	1,17·52	1,23·41	2,47·24	2,17·03	2,79·19	3,31·22	1,52·08	1,20·85
Miscellaneous departments. ‖	7·62	40·42	35·12	42·50	99·48	90·06	1,19·07	1,56·57	1,79·14	2,13·07	54·14
Community Development Projects, National Extension Service and Local Development Works.											56·51
Civil Works	¶ 25·12	¶ 1,26·31	¶ 1,11·38	¶ 1,14·67	¶ 1,28·73	¶ 99·11	¶ 1,10·45	¶ 1,40·81	¶ 1,19·69	¶ 1,25·23	1,09·43
Receipts from Electricity Schemes (Gross).	42·51	5,31·42	5,97·21	7,03·08	8,13·43	2,54·27	..	..	..	..	..
Deduct—Working expenses.	— 24·81	— 3,63·58	— 3,71·79	— 4,52·08	— 5,26·02	— 2,20·07	..	..	..	..	..
Net receipts ..	17·70	1,67·84	2,25·42	2,51·00	2,87·41	34·20	..	..	..	..	..
Receipts in aid of superannuation.	2·88	5·09	13·07	11·32	16·06	9·09	9·26	4·33	10·53	11·10	11·66
Stationery and Printing.	3·96	14·17	12·16	12·79	9·76	11·76	19·07	18·70	19·32	18·35	21·00

Miscellaneous— Gross Receipts from Bus Service †.	..		..	..	..	..	..	..	..	..	..
Other items ..	14·58	1,96·82	1,23·02	87·10	74·90	2,39·03	2,56·63	3,69·39	3,53·06	3,31·53	88·25
Total ..	14·58	1,96·82	1,23·02	87·10	74·90	2,39·03	2,56·63	3,69·39	3,53·06	3,31·53	88·25
Receipts from Road and Water Transport Schemes—Gross Receipts †.	..	1,44·64	1,42·54	1,53·35	1,81·21	2,13·34	2,27·55	2,51·46	2,45·22	3,03·25	311·01
Working expenses ‡ ..	..	—1,24·68	—1,16·69	—1,28·13	—1,49·91	—1,85·52	—1,99·48	—2,19·58	—2,24·68	—2,71·31	—279·12
Net receipts ..	..	19·96	25·85	25·22	31·30	27·82	23·07	31·88	20·54	31·91	31·89
Grants-in-aid from the Union Government.	..	5·70	1·90	72·19	1,28·09	5·55	5·25	4·31	2,73·85	2,13·24	13,85·12
Miscellaneous adjustments between Union and State Governments.	·27	·86	·21	·40	·34	·43	1·56	·35	1·03	1·80	1·12
States' Share of Union Excise Duties.	‡‡	‡‡	‡‡	‡‡	‡‡	‡‡	‡‡	‡‡	‡‡	‡‡	6,25·00
Extraordinary Receipts.	..	1,39·34	43·01	47·15	15·54	25·19	29·69	5·34	43·78	50·87	** 0·47
Transfer from Revenue Reserve Fund.	..	..	..	..	..	..	..	..	..	..	..
Receipts from Community Development Projects, National Extension Service and Local Development Works §.	..	..	40·19	2,50·73	2,76·93	1,65·57	1,89·38	2,01·10	1,98·16	2,91·06	††
Civil Defence	..	1·86	·08	..	..	..	..	..	..	..	..
Grand total ..	16,13·45	50,30·73	43,32·88	52,09·48	56,23·21	62,56·36	69,95·07	81,10·65	80,87·23	89,28·96	87,50·09

* Excludes land revenue.
† The receipts are shown under "Receipts from Road and Water Transport Schemes" from 1949–50.
‡ Prior to 1949–50, the receipts were included under the revenue head "Miscellaneous" and the Working Expenses were shown under the expenditure head "Miscellaneous".
§ The receipts were shown under "Miscellaneous" and "Extraordinary Receipts" up to the end of 1953–4.
‖ The subvention from Union Government for the development schemes relating to these departments have been shown under "Grants-in-aid from the Union Government".
¶ Shown under "LI-A.—Receipts from Community Development Projects, National Extension Service and Local Development Works."
** The subvention from the Union Government relating to this head is shown under "Grants-in-aid from the Union Government."
†† Shown under "XXXVI-A.—Community Development Projects, National Extension Service and Local Development Works."
‡‡ Shown under "Union Excise Duties".

REVENUE AND EXPENDITURE ON REVENUE ACCOUNT OF THE MADRAS STATE—*cont.*

Major heads.	1938–9.	1953–4.	1954–5.	1955–6.	1956–7.	1957–8.	1958–9.	1959–60.	1960–61. Budget Estimate.	1960–61. Revised Estimate.	Budget Estimate, 1961–2.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.
B. EXPENDITURE ON REVENUE ACCOUNT.											
Taxes on Income other than Corporation tax.	..	..	..	1·93	2·79	2·57	4·85	11·21	8·45	9·90	9·56
Land Revenue ..	25·36	87·96	79·42	80·09	88·58	1,12·08	1,72·83	1,68·78	1,66·06	1,68·05	91·94
Excise duties	32·18	63·28	38·02	6·18	6·76	7·04	6·24	5·53	4·18	5·45	‡
Stamps	4·72	22·52	12·84	15·33	18·03	20·31	20·84	24·17	21·89	26·38	27·37
Forest	40·17	75·70	63·75	64·25	57·75	55·99	61·21	70·43	66·17	76·20	79·16
Registration	29·13	47·78	38·25	38·76	37·45	36·78	37·74	40·20	38·83	43·98	45·51
Charges on account of Motor Vehicles Acts—											
Payment to local bodies.	72·77	90·49 (for both rows)	68·15	66·06	63·74	60·46	60·31	60·21	60·36	55·85	†
Other departmental expenditure.	2·29		9·11	11·04	11·61	11·34	13·09	13·24	10·81	11·99	11·86
Sales tax	..	..	..	..	..	..	50·24	51·04	50·09	53·57	59·08
Other taxes and duties—											
Payment to local bodies.	..	1,22·64 (for both rows)	63·39	77·51	91·10	1,01·02	1,36·53	1,50·08	1,45·00	1,60·00	†
Other departmental expenditure.	·64		45·41	46·27	47·92	48·58	2·36	2·13	2·57	2·30	3·33
Irrigation—Interest on works for which capital accounts are kept.	87·59	1,91·00	1,42·23	1,63·36	1,77·66	1,83·90	1,99·07	2,15·99	2,27·37	244·47	2,64·42
Irrigation—Other revenue expenditure financed from ordinary revenues.	39·09	1,19·20	95·07	1,18·38	2,72·00	1,58·31	1,01·03	1,09·02	96·91	110·42	1,02·72
Construction of irrigation, etc., works.	1·25	2·01	..	..	..	..	..	..	..	..	..
	[illegible]	[illegible]	[illegible]	[illegible]	3,70·85	4,38·55	4,54·97	5,18·23	6,50·98	6,85·29	7,74·96

Interest on debt and other obligations.	58·54	2,21·71	1,79·13	2,61·80	3,70·85	4,38·55	4,54·97	5,18·23	6,59·98	6,85·29	7,74·96
Deduct—Interest transferred to Commercial Departments.	—1,07·54	—3,96·61	—3,34·90	—4,05·57	—4,95·33	—2,83·78	—2,20·94	—2,41·04	—2,54·73	—2,76·47	—2,99·26
Net amount met out of ordinary revenues.	—49·00	—1,74·90	—1,55·77	—1,43·77	—1,24·48	1,54·77	2,34·03	2,77·19	4,05·25	4,08·82	4,75·70
Appropriation for reduction or avoidance of debt.	5·13	1,29·93	49·55	49·56	63·84	73·78	2,85·30	3,22·37	3,84·56	3,84·25	99·71
General Administration.	2,76·70	6,25·98	6,12·53	4,47·39	4,53·07	4,96·08	5,11·94	5,41·06	5,34·25	5,59·95	6,07·31
Administration of Justice.	90·63	1,61·74	1,24·94	1,27·23	1,25·72	1,24·11	1,35·58	1,38·02	1,36·44	1,43·21	1,45·77
Jails	23·22	1,34·12	93·49	84·83	91·14	95·85	1,04·61	1,22·80	1,09·41	1,28·35	1,29·39
Police	1,60·96	5,97·96	4,80·53	5,19·89	5,17·65	5,32·98	5,46·94	5,79·50	5,50·00	5,89·62	5,98·17
Ports and Pilotage ..	..	·01	..	..	..	..	..	..	..	..	..
Scientific Departments.	·96	2·14	2·54	2·59	2·75	3·30	3·27	3·53	2·92	4·28	3·35
Education	2,61·98	10,53·07	9,19·13	10,93·30	10,26·98	11,15·63	12,21·99	15,14·70	15,50·12	17,41·75	20,61·90
Medical	98·14	3,48·91	3,03·85	3,24·03	3,57·55	3,89·23	4,41·59	4,91·54	4,80·27	5,35·75	5,48·46
Public Health	26·57	1,41·38	1,04·04	1,13·97	53·98	71·02	85·05	1,91·59	2,07·36	2,83·95	2,17·22
Agriculture	20·62	2,19·04	1,57·44	1,57·88	1,90·51	1,86·65	2,31·22	2,96·58	3,12·33	3,33·95	4,20·62
Animal Husbandry ..	12·85	48·55	40·15	41·02	51·92	65·19	73·70	97·05	1,11·04	1,20·63	1,33·02
Co-operation	13·82	66·82	78·75	1,08·19	1,52·96	1,50·79	1,63·38	2,05·05	1,87·93	1,97·53	2,25·62
Industries	27·54	1,76·42	1,58·91	1,77·09	1,99·69	2,34·70	3,17·94	4,36·11	4,88·88	3,13·22	3,34·10
Labour and Employment.	§	§	§	§	§	§	§	7·78	7·14	7·59	35·78
Capital outlay on Industrial Development.	..	·66	·01	..	..	..	..	..	..	..	..
Aviation	..	·43	·31	·26	·35	..	..	..	..	..	..
Miscellaneous departments *	21·11	2,06·51	1,66·98	1,89·89	2,48·05	3,00·18	3,29·93	4,02·58	3,92·41	4,56·61	3,91·11
Community Development Projects, National Extension Service and Local Development Works.	‖	‖	‖	‖	‖	‖	‖	‖	‖	‖	5,01·16
Civil Works	1,19·70	6,49·39	4,10·77	5,02·64	4,51·24	4,22·64	5,68·13	6,88·15	6,19·79	7,41·36	8,05·51

* Includes expenditure on Harijan Uplift including concessions to Backward Classes as shown below :—

..	..	98·14	1,17·77	1,58·15	2,13·41	2,35·94	3,06·26	2,33·61	3,55·17	3,05·53

† Included under " Other Miscellaneous Contributions and Assignments ". ‡ Included under " Sales Tax ". § Shown under " Miscellaneous Departments ".

‖ Shown under " 63-B. Community Development Projects, National Extension Service and Local Development Works ".

Revenue and Expenditure on Revenue Account of the Madras State—*cont.*

Major heads.	1938 9.	1953–4.	1954–5.	1955–6.	1956–7.	1957–8.	1958–9.	1959–60.	1960–61. Budget Estimate.	1960–61. Revised Estimate.	Budget Estimate, 1961–2.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.
B. EXPENDITURE ON REVENUE ACCOUNT—*cont.*											
Interest on Capital Outlay on Electricity Schemes.	18·92	1,96·94	1,81·96	2,25·99	2,89·28	83·86	..	..	..	..	..
Other revenue expenditure connected with Electricity Schemes.	..	2·34	·21	—·74	—1 40	—·30	..	..	..	..	..
Famine	16·04	92·72	11·48	96·10	29·88	36·61	57·11	70·69	53·09	74·99	14·40
Territorial and Political Pension.	..	..	..	..	·01	·02	·02	·01	·02	·02	·02
Privy purses and allowances of Indian Rulers.	..	6·33	1·87	·97	·71	·76	·69	·73	·74	·73	·73
Superannuation allowances and Pensions.	97·12	1,78·65	1,37·23	1,40·97	1,33·61	1,24·76	1,35·02	1,40·85	1,41·17	1,46·69	1,63·68
Commutation of Pensions.	..	10·91	10·59	5·08	7·27	7·25	10·96	4·55	8·95	7·87	5·34
Stationery and Printing.	27·07	1,13·74	1,01·12	85·77	1,13·22	1,02·50	1,03·87	1,21·38	1,20·21	1,31·18	1,29·20
Miscellaneous—											
Expenditure on Bus Service.	..	*	*	*	*	*	*	*	*	*	*
Other items ..	4·45	96·12	18·69	76·55	70·38	1,06·57	1,12·60	1,61·28	85·26	1,34·35	97·14
											1,93·77
Miscellaneous contributions and assignments.	..	..	..	..	..	..	..	..	..	..	
Extraordinary charges—Net outlay on State Trading Schemes transferred to the Revenue Account.	..	†	†	†	†	†	†	†	†	†	†
Other items ..	..	36·02	17·47	6·44	2·71	2·24	2·69	9·70	2·09	2·39	2·20
Total ..	..	36·02	17·47	6·44	2·71	2·24	2·69	9·70	2·09	2·39	2·20
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	2,35·47	2,86·47	3,07·88	3,30·51	3,88·64	‡

Community Development Projects, National Extension Service and Local Development Works.	..	..	40·11	3,33·53	2,99·63	2,35·47	2,86·47	3,07·88	3,30·51	3,88·64	‡
3 Transfer to Revenue Reserve Fund.	..	..	..	..	..	..	..	..	..	..	..
Civil Defence	..	20·89	..	..	..	..	..	..	..	..	..
Grand total ..	16,09·72	59,63·33	47,24·52	54,55·81	56,86·66	59,15·02	68,35·37	80,57·70	81,20·89	88,06·24	90,35·33
Final Revenue Surplus (+) or Deficit (—).	+ 3·73	— 8,33·10	— 3,91·64	— 2,46·33	— 63·45	+ 3,41·34	+ 1,59·70	+ 52·95	— 33·65	+1,22·72	— 2,85·24

* Working Expenses of the Madras City Bus Service are taken in deduction of the receipts from 1949–50.

† Shown under Capital Account. The figures are—
.. 2,54·38 11,66·50 — 3,63·74 — 5,25·05 76 0) 1,18·27 — 92·56 34·55 1,35·83 55·38

‡ Shown under " 47-A. Community Development Projects, National Extension Service and Local Development Works ".

APPENDIX II.

[The figures up to the end of 1953–4 include those relating to the Andhra areas. The figures from 1956–7 take into account the Reorganization of States from the 1st November 1956.]

DETAILS OF CAPITAL EXPENDITURE.

Description of the scheme.	Approximate estimated cost.	1946–7 to 1954–5.	1955–6.	1956–7.	1957–8.	1958–9.	1959–60.	Total, 1946–7 to 1959–60.	Budget Estimate, 1960–1.	Revised Estimate, 1960–61.	Budget Estimate, 1961–2.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.
A. IRRIGATION, NAVIGATION, ETC., SCHEMES.											
Lower Bhavani Project.	9,96·00	10,10·59	10·07	16·52	·83	— ·61	— 4·95	10,32·45	— ·78	1·25	3·13
Mettur Canals Scheme.	2,67·00	1,40·78	20·56	9·36	7·13	3·31	·50	1,81·64	3·36	·69	3·87
Malampuzha Project.	4,42·00	3,95·00	28·94	14·79	..	..	..	4,38·73	..	..	..
Manimuthar Project ..	3,98·00	2,90·24	1,01·97	92·43	40·24	14·14	— 6·15	5,32·37	— 9·19	— 8·30	— 12·03
Araniar Project ..	1,04·00	28·48	45·62	13·34	6·64	·88	·01	99·97	..	— ·06	..
Walayar Project ..	1,00·00	67·07	27·35	4·25	..	..	..	99·17	..	..	..
Mangalam Project ..	88·65	30·77	19·92	8·96	..	..	..	59·65	..	..	..
Amaravathi Project ..	2,97·00	52·38	84·45	1,03·80	78·22	14·12	— 5·53	3,27·44	— ·05	— ·10	..
Vaigai Reservoir Project.	3,00·00	35·47	48·52	34·55	32·56	19·42	— 16·92	1,53·60	4·65	27·55	5·21
Sathanur Project ..	2,89·00	13·74	68·96	90·40	50·49	14·29	5·22	2,43·10	1·74	3·11	— ·94
Krishnagiri Project ..	1,84·00	3·62	37·30	58·33	38·96	18·24	3·53	1,59·98	·55	2·44	3·03
Kattalai High Level Canal Scheme.	1,56·65	..	..	1·72	15·34	57·79	98·85	1,73·70	21·87	31·69	5·90
Pullambadi Canal Scheme.	1,42·43	..	..	1·91	16·09	64·53	86·43	1,68·96	21·23	21·45	7·10
Vidur Reservoir Project.	61·37	..	..	..	3·50	30·03	25·15	58·68	2·99	1·42	4·77
Meenakarai Reservoir Project.	49·56	..	..	·47	..	..	..	·47	..	..	..
Parambikulam-Aliyar Project.	30,00·00	..	..	..	..	·92	1,51·84	1,52·76	1,00·00	2,21·53	3,76·59
Works under the special minor irrigation programme including Tank Improvement Scheme.	..	3,88·94	72·74	55·20	55·29	85·70	1,38·51	7,96·38	94·49	1,10·62	1,45·58
								3,88·25	36·12	54·36	38·25

Other Irrigation Schemes (Productive and Unproductive).	*	2,77·24	1·49	3·39	26·15	32·99	46·99	3,88·25	36·12	54·36	38·25
Irrigation Projects transferred to Andhra and Mysore States.	..	18,73·97	†	†	†	†	..	18,73·97	†	..	..
Pro rata charges on Establishments and Tools and Plant.	..	31·47	2·08	2·23	2·66	·62	3·74	42·80	·54	2·37	2·47
Total ..		46,39·76	5,70·47	5,16·65	3,74·10	3,56·37	5,27·22	69,84·57	2,77·52	4,70·02	5,82·90

B. CAPITAL OUTLAY ON ELECTRICITY SCHEMES. ‡

Moyar Hydro-Electric Scheme.	..	3,76·01	18·54	11·35	2·57	..	..	4,08·47	..	..	..
Pykara Hydro-Electric Scheme.	..	9,02·58	2,29·24	1,90·83	60·18	..	..	13,82·83	..	..	..
Mettur Hydro-Electric Scheme.	..	7,02·73	2,76·84	2,50·19	59·45	..	..	12,89·21	..	..	..
Papanasam Hydro-Electric Scheme.	..	5,89·42	1,64·71	2,69·72	70·64	..	..	10,94·49	..	..	..
Periyar Hydro-Electric Scheme.	10,48·00	16·59	80·44	1,81·82	75·83	..	..	3,54·68	..	..	..
Kundah Hydro-Electric Scheme.	..	..	14·15	1,63·92	43·59	..	..	2,21·66	..	..	..
Madras-Thermal Electric System.	..	10,14·28	2,84·94	2,31·82	70·56	..	..	16,01·60	..	..	..
Other Minor Schemes.	..	62·08	..	..	..	..	..	62·08	..	..	..
Schemes transferred to Andhra and Mysore States.	..	15,69·08	†	..	..	..	..	15,69·08	..	..	..
Lumpsum provision for payment of compensation for acquisition of electrical undertakings of local authorities and private companies.	..	— 44·76	38·32	47·41	·30	..	..	41·27	..	..	..
Total ..		51,88·01	11,07·18	13,47·06	3,83·12	..	..	80,25·37	..	..	..

* Consists of several works some of which have been completed, while others are in progress. Hence no estimated cost is given.

† Does not relate to the present Madras State.

‡ The expenditure is incurred by the State Electricity Board with effect from 1st July 1957.

DETAILS OF CAPITAL EXPENDITURE—*cont.*

Description of the scheme.	Approximate estimated cost.	1946–7 to 1954–5.	1955–6.	1956–7.	1957–8.	1958–9.	1959–60.	Total, 1946–7 to 1959–60.	Budget Estimate, 1960–1.	Revised Estimate, 1960–1.	Budget Estimate, 1961–2.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.
C. INDUSTRIAL DEVELOPMENT SCHEMES.											
Cinchona Plantations.	..	1,05·50	3·57	3·33	4·09	4·06	3·64	1,24·19	6·30	3·71	7·00
Kerala Soap Institute.	..	1·11	·18	·01	..	..	..	1·30	..	..	..
Government Industrial Engineering Workshop.	..	·02	..	..	..	·96	..	·98	..	..	..
Fish Liver Oil Industry.	..	1·35	·31	·04	..	..	..	1·70	..	..	..
Madras Vegetable Ghee Factory.	..	12·57	·01	·03	.	..	..	12·61	..	..	..
Government Silk Filatures.	..	3·69	·14	·01	..	..	..	3·84	..	..	..
Polytechnics	..	46·11	2·48	3·95	13·34	— 7·82	..	58·06	..	..	..
Artesian Wells ..	..	14·74	·01	·09	..	1·33	3·03	19·20	8·50	8·50	9·00
Shares in Fertilizers and Chemicals, Limited, Travancore.	..	21·00	..	..	..	..	..	21·00	..	..	..
Shares in Madras Industrial Investment Corporation, Madras.	..	1,02·00	19·42	..	·23	..	..	1,21·65	..	..	..
Shares in Dhrangdhara Chemical Works.	..	..	5·00	..	..	5·00	..	10·00	..	..	..

Shares in State Warehousing Corporation.	..	..	..	..	..	10·00	..	10·00	..	1·00	6·00
Shares in Co-operative Sugar Factories.	..	1·50	..	25·00	..	10·00	..	36·50	..	20·00	35·00
Other Shares	..	..	·10	30·36	14·20	49·30	6·50	1,00·96	11·45	9·45	15·50
Industrial Housing ..	..	..	7·82	{ 19·34 — 9·97	9·43 — 2·49	21·74 — 8·20	17·64 } — 7·78 }	45·53	{ 20·00 — 7·14	19·49 — 7·59	27·00 — 8·00
Industrial Estates ..	..	..	4·19	3·92	38·57	30·11	33·76	1,15·55	30·41	48·74	76·46
Small-scale and Village Industries.	..	..	..	14·53	65·26	52·13	60·54	1,92·51	74·69	36·25	1,37·04
Stationery and Printing.	..	..	..	2·33	4·03	1·17	1·68	9·26	..	·77	3·93
Bulk acquisition of lands for Housing Schemes.	..	..	..	..	..	..	..	..	..	..	1,00·00
Tractor Hiring Schemes.	..	..	..	..	..	..	..	..	..	21·87	8·75
Other items	..	29·82	2·91	6·15	2·20	14·46	1,68·60	2,24·14	8·00	86·97	18·82
Lumpsum deduction for probable savings.	..	..	..	..	..	..	..	..	..	..	— 50·00
Total ..		3,39·41	46·14	1,04·22	1,68·86	1,64·74	2,85·61	11,08·98	1,52·21	2,49·16	3,79·50

D. CAPITAL OUTLAY ON ROAD TRANSPORT SCHEMES.

Madras City Bus Service.	..	98·07	36·54	68·09	22·59	30·88	69·23	3,25·40	54·40	75·75	1,01·29

E. CAPITAL OUTLAY ON CIVIL WORKS.

Buildings	..	4,20·09	52·15	1,02·20	1,50·63	1,93·88	2,47·88	11,66·83	2,83·41	3,02·51	3,92·19
Road Works (including tools and plant and establishment).	..	..	..	43·25	72·94	75·58	1,12·14	3,03·91	97·19	1,24·98	1,12·88
Grants to Local Bodies for Water-supply.	..	..	..	14·75	16·30	— 2·14	— 2·14	26·77	— 2·14	— 2·14	— 2·14
Grants to Local Bodies for Road Works.	..	..	..	26·13	31·49	— 3·96	— 3·96	49·70	— 3·95	— 3·96	— 3·96
Pro rata charges for Establishments.	..	..	..	6·86	13·56	12·01	15·70	48·13	25·05	25·49	28·72
Lumpsum deductions for probable savings.	..	..	..	..	..	..	..	..	— 29·30	— 35·37	— 55·19
Total ..		4,20·09	52·15	1,93·19	2,84·92	2,75·37	3,69·62	15,95·34	3,70·26	4,11·51	4,72·50

DETAILS OF CAPITAL EXPENDITURE—*cont.*

Description of the scheme. (1)	Approximate estimated cost. (2) RS LAKHS.	1946–7 to 1954–5. (3) RS LAKHS.	1955–6. (4) RS LAKHS.	1956–7. (5) RS LAKHS.	1957–8. (6) RS LAKHS.	1958–9. (7) RS LAKHS.	1959–60. (8) RS LAKHS.	Total, 1946–7 to 1959–60. (9) RS LAKHS.	Budget Estimate, 1960–1. (10) RS LAKHS.	Revised Estimate, 1960–1. (11) RS LAKHS.	Budget Estimate, 1961–2. (12) RS LAKHS.
F. COMPENSATION TO ZAMINDARS.											
Advance compensation and interim payments.	..	5,30·94	10·30	13·43	3·98	68·64	82·40	7,09·69	90·50	1,25·38	81·00
G. CAPITAL OUTLAY ON OTHER WORKS.											
Buildings, machinery, etc., for the Agriculture, Animal Husbandry and Miscellaneous, etc., departments.	..	..	..	1·53	1·83	18·47	3·30	25·13	17·66	7·02	21·64
Other Grants-in-aid ..	..	..	..	4·46	15·01	— 1·32	— 1·30	16·85	— 1·32	— 1·32	— 1·32
Total ..		..	..	5·99	16·84	17·15	2·00	41·98	16·34	5·70	20·32
H. CAPITAL OUTLAY ON FORESTS.											
Forest Works ..	..	..	..	7·54	17·55	19·51	24·05	68·65	29·33	30·98	37·02
I. CAPITAL OUTLAY ON IMPROVEMENTS TO PUBLIC HEALTH.											
Sanitary Works (Stocks).	..	..	..	— 18·17	11·33	— 17·41	— 2·72	— 26·97	11·39	— 1·24	39·75
Rural Water-supply Schemes.	..	..	..	32·98	42·27	40·07	57·00	1,72·32	31·65	54·28	28·00
National Water-supply and Sanitation.	..	..	..	9·49	14·61	30·67	30·47	85·24	15·26	— 11·37	7·41
Grants to Madras Corporation for Water-supply.	..	..	..	7·29	11·17	— 1·26	— 1·26	15·94	— 1·26	— 1·26	— 1·26
Deepening of Wells ..	..	..	..	..	·11	·66	3·42	4·19	..	2·58	..
Total ..		..	..	31·59	79·49	52·73	86·91	2,50·72	57·04	42·99	73·90
J. CAPITAL OUTLAY ON AGRICULTURAL IMPROVEMENTS AND RESEARCH.											
Acquisition of lands for State Seed Farms.	..	..	..	..	2·70	2·67	0·74	..	3·00	0·33	5·15

APPENDIX II-A.

APPENDIX II-A.

[The figures up to the end of 1953–4 include those relating to the Andhra areas. The figures from 1956–7 take into account the Reorganization of States from the 1st November 1956.]

CAPITAL EXPENDITURE OUTSIDE THE REVENUE ACCOUNT OF THE MADRAS STATE—DETAILS GIVEN BY MAJOR HEADS.

Major heads.	1946–7 to 1954–5.	1955–6.	1956–7.	1957–8.	1958–9.	1959–60.	Total 1946–7 to 1959–60.	Budget Estimate, 1960–1.	Revised Estimate, 1960–1.	Budget Estimate, 1961–2.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.
Payment of Compensation to land-holders, etc., on the abolition of the Zamindari system.	5,30·95	10·30	13·43	3·98	68·64	82·40	7,09·70	90·50	1,25·38	81·00
Capital Outlay on Forests ..	..	..	7·54	17·55	19·51	24·05	68·65	29·33	30·98	37·02
Construction of Irrigation, Navigation, Embankment and Drainage Works.	35,06·18	5,70·47	4,60·11	3,08·07	2,57·59	3,74·81	54,77·23	1,71·51	3,44·96	4,20·32
Construction of Irrigation, Navigation, Embankment and Drainage Works—Non-Commercial.	..	..	56·53	66·03	98·78	1,52·41	3,73·75	1,06·01	1,25·06	1,62·58
Capital Outlay on Improvements to Public Health.	..	..	31·59	79·49	52·73	92·35	2,56·16	57·04	42·99	73·90
Capital Outlay on Schemes of Agricultural Experiment and Research.	..	..	..	2·70	2·67	·74	6·11	3·00	·33	5·15
Capital Outlay on Industrial Development.	2,67·46	28·88	58·77	38·53	74·24	1,72·42	6,40·30	25·75	1,06·70	73·00
Capital Account of Civil Works outside the Revenue Account.	4,20·86	52·15	1,93·19	2,84·92	2,75·37	3,69·62	15,96·11	3,70·26	4,11·51	4,72·50
Capital Outlay on Electricity Schemes.	44,03·75	11,07·18	13,47·06	3,83·12	..	..	72,41·11	..	..	..
Capital Account of other Works outside the Revenue Account.	1,04·47	17·26	51·44	1,47·17	1,07·65	1,16·48	5,44·47	1,42·80	1,49·48	3,28·14
Capital Outlay on Road Transport Schemes outside the Revenue Account.	34·63	36·54	68·09	22·59	30·83	69·23	3,11·96	54·40	75·75	1,01·29
Payments of Commuted Value of Pensions.		..	..	..	..	..	..	..	..	..
Capital Outlay on Schemes of Government Trading.	—23,76·86	—5,25·05	76·00	1,18·27	1,48·78	—92·56	—26,51·42	34·55	1,35·83	55·38
Total ..	69,41·44	12,97·73	23 63·75	14,72·42	11,36·84	13,61·95	1,45,74·13	10,85·15	15,48·97	18,10·28

APPENDIX III.

Statement showing the Debt Position.

(i) OPEN MARKET LOANS.

When issued.	Description of loan.	Total amount issued.	Amount outstanding on 30th September 1953.	Amount outstanding on 31st October 1956.	Amount outstanding on 31st March 1960.
(1)	(2)	(3) RS LAKHS.	(4) RS LAKHS.	(5) RS LAKHS.	(6) RS LAKHS.
	A. Loans raised before the 1st October 1953.				
September 1937 and September 1940.	3% Loan, 1952, I and II issues.	2,33·54	·80	·28	·12
September 1938 ..	3% Loan, 1953 ..	1,51·29	15·20	·48	·28
June 1939	3% Loan, 1959 ..	1,50·00	1,23·96	1,23·96	1·22
September 1942 ..	3% Loan, 1955 ..	1,25·00	1,23·25	·15	·02
September 1943 ..	3% Loan, 1956 ..	1,25·10	1,25·10	3·12	·09
August 1944	3% Loan, 1958 ..	1,10·00	1,07·95	1,07·92	·24
September 1945 ..	3% Loan, 1960 ..	3,00·00	2,78·44	2,78·44	2,78·44
September 1946 ..	2¾% Loan, 1961 ..	4,09·30	3,81·77	3,81·77	3,81·77
July 1950	3% Development Bonds, 1960.	4,39·75	4,38·25	4,38·25	4,38·25
September 1951 ..	3½% Loan, 1962 ..	3,01·49	3,01·49	3,01·49	3,01·49
August 1952	4% Loan, 1964 ..	5,24·81	5,24·81	5,24·81	5,24·81
July 1953	4% Loan, 1963 ..	10,33·71	10,33·71	10,33·71	10,33·71
	Total—*A*. ..	39,03·99	34,54·73	31,94·38	29,60·44

B. Loans raised from 1st October 1953 to 31st October 1956.

When issued.	Description of loan.	Total amount issued.	Amount outstanding on 31st October 1956.	Amount outstanding on 31st March 1960.
(1)	(2)	(3) RS LAKHS.	(4) RS LAKHS.	(5) RS LAKHS.
August 1955 ..	4 per cent loan, 1967 ..	10,47·17	10,47·17	10,47·17
September 1956 ..	4 per cent loan, 1968 ..	13,83·56	13,83·56	13,83·56
	Total—*B*. ..	24,30·73	24,30·73	24,30·73

C. Loans raised after 1st November 1956.

When issued.	Description of loan.	Total amount issued.
(1)	(2)	(3) RS LAKHS.
July 1958	4½ per cent loan, 1970	5,55·57
August 1959	4 per cent loan, 1971	8,72·75
August 1960	4 per cent loan, 1969	12,20·00

Statement showing the Debt Position—*cont.*

(ii) SPECIAL IRREDEEMABLE LOANS.

	Amount.
	RS
(1) Four bonds bearing interest at 8 per cent per annum issued between the years 1796 and 1807	1,33,000
(2) Two bonds bearing interest at 6 per cent per annum issued in the years 1795 and 1817	10,500
(3) A deposit bearing interest at 6 per cent per annum received in 1817 ..	41,770
(4) A deposit bearing interest at 4 per cent per annum (now treated as an Endowment for the Stanley Hospital, Madras)	66,878
Total—(ii) ..	2,52,148 or 2·52 lakhs.
Share of the present reorganized Madras State in respect of the irredeemable loans in the population ratio	1·29 lakhs.

Summary of the debt position as on 31st March 1960.

	RS LAKHS.
(1) Share of Madras in the outstanding balance of open market loans raised before 30th September 1953	15,72·16
(2) Share of Madras in the outstanding balance of the open market loans raised after 1st October 1953 and before 31st October 1956 ..	19,78·61
(3) Loans raised after 1st November 1956	14,28·32
	49,79·09
(4) Share of Madras in the open market loans raised by the Travancore-Cochin State before 31st October 1956	55·17
(5) Total liability on account of open market loans as on 31st March 1960.	50,34·26
(6) Total liability as on 31st March 1960 on account of open market loans and Special Irredeemable Loans	50,35·55
(7) Total liability on 31st March 1960 on account of loans from the Government of India (details on next page)	1,16,14·30
(8) Total liability on 31st March 1960 on account of loans from autonomous bodies	3,95·68
(9) Grand total of outstanding debt on 31st March 1960	1,70,45·53

Statement showing the Outstanding Balance on 31st March 1960 of Loans taken from the Government of India.

[The figures for the period prior to 1st November 1956 represent the provisional share of the present Reorganized Madras State in the population ratio.]

A. LOANS RECEIVED BY THE MADRAS GOVERNMENT.

	Balance on 31st March 1960 of loans sanctioned.				
	Prior to 14th August 1947.	From 15th August 1947 to 30th September 1953.	From 1st October 1953 to 31st October 1956.	From 1st November 1956 to 31st March 1960.	Total.
(1)	(2)	(3)	(4)	(5)	(6)
	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.
Pre-autonomy consolidated debt.	1,38·21	..	..	..	1,38·21
Industrial Housing Schemes.	..	..	..	28·90	28·90
Interest-free loans ..	..	..	1,00·47	21·97	1,22·44
Expansion of power facilities, etc.	..	..	2,10·15	1,35·41	3,45·56
Share of Small Savings Collections.	..	..	1,10·30	8,29·39	9,39·69
Other loans—					
Loans bearing interest at less than 3 per cent.	..	4,59·10	..	..	4,59·10
All other items ..	..	18,13·42	16,52·93	60,15·63	94,81·98
Total ..	1,38·21	22,72·52	20,73·85	70,31·30	1,15,15·88

B. LOANS RECEIVED BY THE FORMER TRAVANCORE-COCHIN GOVERNMENT.

ADDITIONAL DEPUTY SECRETARY TO GOVT. ... FINANCE DEPARTMENT ... MADRAS

	Balance on 31st March 1960 of loans sanctioned.		
	Prior to 14th August 1947.	From 15th August 1947 to 31st October 1956.	Total.
	(2)	(3)	(4)
	RS LAKHS.	RS LAKHS.	RS LAKHS.
Share in the outstanding balance of loans received by the former Travancore-Cochin State prior to 1st November 1956—			
Pre-autonomy debt	1·63	..	1·63
Interest-free loans	..	1·70	1·70
Industrial Housing Schemes	..	·07	·07
Share of Small Savings Collections	..	1·96	1·96
Other loans	..	93·06	93·06
Total ..	1·63	96·79	98·42
Grand total ..			1,16,14·30

APPENDIX IV.

[For further details, please *see* the Supplement on the Third Five-Year Plan.]

Statement showing the details of Expenditure on Plan Schemes of the Madras State under the Third Five-Year Plan.

Main heads of development. (1)	Total provision (1961—66). (2) RS LAKHS.	Budget Estimate, 1961–62. (3) RS LAKHS.
I. Agriculture and Community Development—		
Agricultural Production	9,81	1,39
Land Development	1,01	15
Minor Irrigation Projects	12,80	2,74
Animal Husbandry	3,52	46
Dairying and Milk-supply	2,75	98
Fisheries	2,22	33
Forests	2,12	29
Soil Conservation	2,50	44
Marketing and Warehousing	25	6
Community Development Projects	20,47	3,66
Co-operation	4,71	97
Total—I. ..	62,16	11,47
II. Irrigation and Power—		
Irrigation	27,42	4,14
Power Projects	100,19	15,51
Total—II. ..	127,61	19,65
III. Industry—		
Large and Medium Industries	3,35	9
Handlooms	8,00	1,55
Small-scale Industries	8,00	2,02 (Small-scale Industries and Industrial Estates)
Industrial Estates	3,20	
Handicrafts	60	12
Coir	15	3
Sericulture	13	3
Khadi and Village Industries	8	..
Total—III. ..	23,51	3,84

STATEMENT SHOWING THE DETAILS OF EXPENDITURE ON PLAN SCHEMES OF THE MADRAS STATE UNDER THE THIRD FIVE-YEAR PLAN—*cont.*

Main heads of development.	Total provision (1961—66).	Budget Estimate, 1961-62.
(1)	(2)	(3)
	RS LAKHS.	RS LAKHS.
IV. Transport and Communication—		
Roads	11,00	1,87
Tourism	25	2
Total—IV. ..	11,25	1,89
V. Education—		
Education	25,43	2,31
Technical Education and Cultural Activities ..	6,73	1,19
Total—V. ..	32,16	3,50
VI. Health—		
Water-supply and Drainage—Corporation ..	2,00	92
Water-supply—Urban	7,50	1,47
Water-supply—Rural	1,50	40
Other Health Schemes	10,50	2,60
Total—VI. ..	21,50	5,39
VII. Welfare of Backward Classes	3,26	57
VIII. Social Welfare	52	3
IX. Labour Welfare	1,33	20
X. Housing and Urban Development	7,00	1,21
XI. Miscellaneous	59	12
Grand Total ..	2,90,89	47,87